



## OVERSEAS NEWS

The U.S. wants to woo China without alienating Russia

## Carter keeps his balance

BY COLINA MACDOUGALL IN WASHINGTON

DURING THREE days of talks with the Chinese vice-premier Deng Xiaoping (Teng Hsiao-ping), President Carter seems to have pulled off a balancing act between Peking and Moscow. In spite of Mr. Deng's pressure to endorse the Chinese view of the Soviets as "hegemonists" bent on world domination, the President politely and publicly dissociated the U.S. from it, pointing out on Wednesday that "obviously the security concerns" of the two countries did not coincide. The Chinese seem tacitly to have accepted this.

With a visit from the Soviet President Mr. Leonid Brezhnev pending, this refusal to be swayed ought to soothe Moscow's anxiety about a possibly anti-Soviet U.S.-China axis.

While that was obviously important, the most immediately productive event of the week may turn out to have been vice-premier Deng's visit to Congress last Tuesday. The growing concern among liberal Congressmen over the withdrawal of U.S. recognition from Taiwan has been considerably allayed as a result. Perhaps most usefully,

the Chinese vice-premier may have taken away with him a better idea of President Carter's problems with Congress in completing the switch of relations to Peking.

Mr. Deng's remarks to Congressmen to the effect that China was seeking the peaceful reunification of Taiwan mollified the middle-of-the-roaders, who were not so much hostile to China as concerned about a long-standing ally. The vice-premier's measured and diplomatic reply impressed both the Republicans and Democrats to an extent that seems certain to smooth the path to much closer bilateral relations.

The vice-premier scored a major point in securing an admission from Senator Jackson that China's emigration rate allowed it to qualify for most favoured nation treatment. The Jackson-Vanik amendment to the 1974 Trade Act withholds most favoured nation treatment from countries that restrict emigration. This could raise a problem. MFN is denied to the Soviet Union, and if China alone were conceded it, the President's "even-handed" treatment of the two Communist giants might look less credible.

Mr. Deng's implied assurances that Taiwan would keep its autonomy, its political and social system, its defence equipment, and its foreign relations if it would simply acknowledge Peking as China's capital calmed considerable Congressional alarm. This improved atmosphere will be vital to ensure the safe passage of legislation to provide the framework for future U.S. relations

with both Peking and Taiwan. Congress has to authorise the establishment of an American Institute in Taiwan which will replace the embassy and perform all its functions so as to retain the link between the two countries. It will be staffed entirely by retired foreign service officers.

Following that will come assorted trade legislation on questions like MFN and Eximbank financing. The U.S. Secretary of Commerce, Mrs. Juanita Krebs, is to go to Peking in April to discuss a trade agreement which will be tied in closely with these other matters. Unless these matters get Congressional approval, Sino-U.S. trade could be seriously affected. Without MFN China will find it difficult to increase its exports

significantly, and without Eximbank financing at rates similar to those offered by ECGC, American businessmen will not be able to compete with Japanese and Europeans who are already discussing huge deals with Peking for capital equipment.

There is some uneasiness that increased Chinese exports to the U.S. could mean a deluge of low cost textiles or shoes. Peking would probably accept some kind of quota system with reasonable grace to keep the new relationship running smoothly.

On the debit side, Mr. Deng may have heightened two of President Carter's problems. One is the question of the proposed SALT agreement, which, if and when it is tabled, will require a two-thirds majority in

the Senate to ratify it. If Mr. Deng succeeded in communicating Peking's distrust of Moscow to Congress, he might just swing the balance in what is already an uncertain situation.

The other is China's embarrassing support for the guerrillas in Cambodia and the fierce rattling of the last few days on the Vietnam-China border. If Chinese troops were to cross it, the Sino-American honeymoon would be seriously blighted. The vice-premier publicly declared Chinese support for the guerrillas during his Washington stay, and he hinted that Peking's thinking on further action was still pretty fluid.

The vice-premier had a rendezvous with Prince Sihanouk, former leader of Cambodia, on his last night in the U.S. capital which suggests the Chinese are keeping open as many options as possible. This is perhaps the wisest attitude since a new relationship with the U.S. and the West in general is currently the foundation of their foreign policy and modernisation programme.

## Russia warns West against joining 'anti-Soviet policy'

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT, IN MOSCOW

SOVIET FEARS that normalisation of relations between the U.S. and China would be followed by Chinese attempts to influence American opinion in an anti-Soviet direction have been confirmed by Mr. Deng Xiaoping, the Chinese Deputy Premier's call in Washington for a united front against the Soviet "polar bear."

"All the talks on arms limitation will become an Alice in Wonderland enterprise if the West simply agreed to lower ceilings in some parts of the globe and then channel arms and peers up forces elsewhere," he said.

What we have seen from Mr. Deng Xiaoping, he added, is "a very definite attempt to outline the West's plans of a military-political alliance and to pump up the importance of China itself in such an alliance."

He warned, however, that "if relations between the West and China grow into a military-political alliance directed against the Soviet Union, we would have to reconsider the whole political situation. It would create a new picture of the intentions of the Western powers and the whole political framework would become more and more a structure of war waging capabilities, of the use of or at least the threat of use of military force. This would hardly leave the place for the sort of understandings which led to detente..."

## Record decline of Canadian dollar sparks political row

BY JIM RUSK IN TORONTO

THE CANADIAN DOLLAR has been pushed to its lowest level in nearly 50 years in recent currency trading. During Thursday's trading on the North American inter-bank wholesale market, the currency touched \$3.2 U.S. cents, the lowest level since early 1933. The dollar took its sharpest tumble on Wednesday when, despite heavy intervention by the Bank of Canada, it fell to \$3.38 U.S. cents from \$3.7 cents the day before. Trading was lighter on Thursday and the close was off only slightly \$3.38 U.S. cents.

Mr. Gerald Boney, Governor of the Bank of Canada, has been called to appear before the Commons Finance Committee to try to explain the dollar's weakness while for three consecutive days in the Commons this week the Progressive Conservative opposition leader Mr. Joe Clark has spearheaded demands that the Government empower

the Finance Committee to conduct an inquiry into the dollar's weakness.

The mid-week weakness was attributed to fears that Canada might resort to currency controls in an attempt to relieve pressure. However Canadian Finance Department officials have tried to allay fears of controls by granting Press interviews in which they claim the controls would be a bureaucratic nightmare that would likely be unworkable in an economy as open as Canada's.

The other factor touching off the current round of selling has been the report that the 1978 trade surplus was C\$3.52bn a level well below the forecast of both the Federal Government and many business economists. Estimates of Canada's current payments deficit for 1978 are now running at C\$4.5bn.

Traders are also looking closely at Canadian Government

moves to borrow currency in foreign markets to bolster the dollar and some are starting to draw pessimistic conclusions about the effect on Canada's balance of payments deficit of the cost of these massive borrowings.

Furthermore a quick recovery in the exchange rate is not expected as it will be difficult for Canada to improve its merchandise trade surplus because of the weakness forecast for the U.S. economy this year.

A bitter and rancorous exchange occurred on Thursday in the House as the Prime Minister Mr. Trudeau and Mr. Clark clashed over the Opposition request for an inquiry. Mr. Trudeau rejected the demand despite the fact that the Opposition leader had a letter from Mr. Bob Kaplan, the Liberal Chairman of the Finance Committee, agreeing that the Government should be summoned.



Sig. Enrico Berlinguer, the Italian Communist Party leader, after talks yesterday with President Pertini.

## Barre sticks to his economic guns

BY ROBERT MAUTHNER IN PARIS

M. RAYMOND BARRE, France's Prime Minister, undeterred by the mounting wave of demonstrations in Eastern and Northern France against the closure of steel plants, yesterday reiterated that he had no intention of modifying the Government's austerity policies.

M. Barre implicitly rejected the urgent calls by M. Jacques Chirac, the Gaullist Party leader, and M. Francois Mitterrand, the Socialist leader, for expansionary measures to mop up the increasing numbers of unemployed, now exceeding 1.3m.

M. Chirac has warned the Government that unemployment had reached dramatic proportions, and that there was no prospect for an improvement.

The Prime Minister, however, remains calm. This year would be decisive for the recovery of the French economy, which had already made substantial progress over the past two years, he said. But the economy remained vulnerable as long as industrial structures and the attitudes of workers and management were not adapted to modern conditions.

Stressing that the fight against inflation remained the Government's priority, M. Barre confirmed that, for the third year running, the authorities intended to limit wage rises to

increases in the cost-of-living index. This would keep wage increases to less than 10 per cent, given that prices this year are expected to rise by at least 8 per cent.

The Prime Minister also emphasized that the Government was determined to continue its policy of industrial restructuring, to give France a modern and profitable industry which would be fully competitive on world markets.

The freeing of industrial prices, begun in spring last year, was irreversible, he said, but to prevent this policy from giving a new twist to the inflationary spiral, the Government would defend the franc on the exchange markets, maintain ceilings for the money supply, and ensure there was a competitive industrial climate.

The Prime Minister admitted that the high level of unemployment was the biggest blot on the economy. But, although the Government had already taken extensive measures to combat unemployment, it would not resort to "any old policies."

M. Barre specifically ruled out any substantial relaxation of measures for the moment, nor was he prepared to envisage postponement of industrial restructuring or the creation of what he described as "artificial" jobs.

## Credit Lyonnais changes after foreign stock loss

BY DAVID WHITE IN PARIS

A £4.4M scandal in the London stock and bond dealing operations of Credit Lyonnais, the state-owned French bank, has claimed its first victim.

M. Maurice Genin, the bank's director for financial affairs, has resigned, and the department has been brought under the supervision of M. David Dautremont, deputy general manager and number four in the Credit Lyonnais hierarchy.

M. Genin, a former employee responsible for the bank's foreign stock market section, has been charged by an examining magistrate with embezzlement, abuse of confidence, and forgery. He was dismissed over two weeks ago.

The bank last week started legal proceedings against M. Brachant, Mr. Thomas Stoddart, a British financial analyst, and others, who remain unidentified.

Mr. Stoddart left the bank last year, after the financial affairs department was reorganised in September, and received six

months salary in compensation. He has since disappeared. Large unaccounted losses at the London end of the bank's portfolio investment operations were discovered soon after, but did not become public knowledge until last month, when bank employees' unions gave details to the Press.

The bank in its proceedings is accusing the British former employee of embezzling FF 6m (£705,000). A further FF 31m remains to be accounted for. The bank said it had not established to what extent this loss was the result of fraud by others or of misplaced investments.

The notice of the financial director's resignation said he would devote himself to his post as head of Banque Franco-Roumaine, which he held at the same time as his directorship. But the bank made clear that the change in management structure was made in the light of the London scandal.

## White prisoners set free

BY QUENTIN PEEL IN JOHANNESBURG

FOUR WHITE prisoners captured in Rhodesia by guerrillas belonging to the Zimbabwe African National Liberation Army (Zanla), supporters of the Rhodesian nationalist leader Mr. Robert Mugabe, were released yesterday in the Mozambique capital of Maputo.

The four who were captured in different areas of eastern Rhodesia between May and September last year reported that the guerrillas appeared to be in control of considerable areas along the eastern border.

Unless a compromise is reached, the most likely outcome of Italy's latest crisis is an early general election, although should Sig. Andreotti fail, another political leader could be asked by Sig. Pertini to try again.

The company's main functions are described as "to underwrite and subscribe to the equity of medium and large sized industries and also to provide bridge finance in cover of the equity commitment."

The organisation will be "kept free from rigid administrative and financial control of the Government," according to the cabinet decision.

By Richard Hansen in Tokyo

THE JAPAN Atomic Energy Research Institute says it has concluded a three-year agreement with its West German counterpart, Kernforschungsanlage, to co-operate in the research and development of a thermal gas reactor. Japan hopes to put an experimental thermal gas reactor into operation by 1985.

A thermal gas reactor is a new type which uses graphite as the moderator and helium as a cooling agent. It emits high temperature gases which can be converted into energy for steel and chemical industries. It will also maintain a high heat conduction rate while emitting low amounts of radioactive waste.

## U.S. unemployment rate falls to 5.8% in January

BY DAVID BUCHAN IN WASHINGTON

THE U.S. unemployment rate dropped in January to 5.8 per cent from 5.9 per cent the previous month, the Commerce Department reported yesterday.

Stewart Fleming adds from New York: First Pennsylvania Bank, the twentieth largest U.S. commercial bank, joined Chase Manhattan in cutting its prime lending rate to 11½ per cent from 11¾ per cent yesterday.

But Citibank, the second largest U.S. bank, said it was leaving its prime unchanged. Citibank, however, employs a formula to adjust its prime, based on a three week average of certificates of deposit in the secondary market. Observers expect the formula to indicate a cut next week barring a significant upturn in CD rates.

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President Videla, who has also asked that two other wealthiest provinces, Santa Fe and Buenos Aires, as well as the Buenos Aires Municipality, for contributions to the national Treasury, yesterday received Gen. Iberico Saint Jean, the Governor of Buenos Aires Province, and Gen. Orvaldo Cacciatore, the Mayor of Buenos Aires.

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### Argentina Governor quits

BY ROBERT LINDLEY IN BUENOS AIRES

GEN. CARLOS BERNARDO CHASSEING, Governor of Cordoba Province, has resigned from his post in an act of defiance of Gen. Jorge Rafael Videla, Argentina's President, who had asked the Governor to help relieve the national budget deficit.

In 1977, the year after Gen. Chasseing was named Cordoba's Governor by Gen. Videla, the province had no budget deficit, and the amount collected in taxes had increased by 1,900 per cent.

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## UK NEWS

**'Crushing blow' to London pride**

MR HORACE CUTLER, leader of the Conservative-controlled Greater London Council, yesterday described the Government's decision not to provide financial backing for the proposed £53m Trammell Crow trade mart in London's docklands as a "crushing blow" to the area.

The proposed mart would have provided 1,000 permanent show rooms for manufacturers of consumer goods.

Mr Cutler, in a lengthy and bitter statement, said the trade mart was regarded by most people as "the stimulus which would really have put docklands on the map." He said the Government's decision was incomprehensible and had done imponderable damage to London's reputation abroad.

The decision not to back the trade mart but instead to offer a package of financial aid to other industrial and commercial developments in docklands is clearly a big setback to Mr. Trammell Crow, the Texas businessman behind the scheme.

Mr Cutler's anger is also not surprising since the Government effectively blocked legislation last year which would have given the GLC power to guarantee the project's finances. He has also seen the Government refuse to support the £200m extension of the Jubilee tube line to Docklands.

However, the extent to which the Government's decision on Trammell Crow will turn out to be a major blow to the overall docklands redevelopment plans will depend on several other factors including the question of whether other

**NEWS ANALYSIS—DOCKLANDS**

DAVID CHURCHILL AND PAUL TAYLOR

ON THE TRADE MART DECISION

developers will take up the Government's offers of financial assistance.

The final decision not to provide a total of £43m in Government guarantees for the project—but to counter the effect of the decision with offers of £70m to other projects with proven economic viability—was set against real concern that docklands needs a big new development

the project and further reports by Department officials and a small group of prominent businessmen from the private sector did not substantially change this view.

These reports must be set against Trammell Crow's own survey results which suggested that the trade mart complex could rely on widespread support from UK consumer goods

diverse to support a mart. But now the Dallas marts are extremely profitable.

Supporters of the mart proposal also feel that Whitehall and Cabinet rivalries may have had as much to do with blocking this scheme as questions of commercial viability.

There was understood to be a certain degree of animosity between the Environment and Industry Departments over the scheme since Industry officials were "piqued" that the Environment Department and not themselves was seeking loan guarantees under the Industry Act.

While Britain's consumer industries, such as furniture, clothing, and giftware, will not immediately suffer because the mart project has been shelved, the future for docklands is less certain.

Within docklands there are about 5,500 acres of unused land waiting for redevelopment.

Responsibility for redeveloping the area rests with the Docklands Joint Committee, composed of the five London boroughs in docklands, the Greater London Council, the Port of London Authority and other interested bodies.

Trammell Crow stands by its estimates of the London mart's proposed viability, especially since it points out that Mr. Crow planned to invest about £5m of his own money in the project did not win approval from the company.

The Government's argument that the differences between the U.S. and UK consumer industries and markets meant that the London mart was unlikely to succeed are also hotly contested by Trammell Crow.

The doubt over the future viability of the trade mart was first raised when Trammell Crow approached the Government for guarantees to secure City investment.

Subsequently, a report by the Industrial Development Advisory Board—set up to vet guarantees under the 1972 Industry Act—is believed to have come down heavily against

manufacturers.

In the event a proposal from Mr. Shore that he would be willing to reconsider the scheme if Trammell Crow was able to increase its own £5m stake in the project did not win approval from the company.

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**AA finds fault with petrol duty removal**

By Kenneth Gooding, Motor Industry Correspondent

ANY MOTORIST who buys 4½ gallons of petrol a week would pay more tax if the Government goes ahead with its plan to replace excise duty with an increased levy on petrol, claimed Mr. Olaf Lambert, director-general of the Automobile Association, yesterday.

If the new tax added 20p a gallon to the price, and there was a registration fee of 45p a year, anyone buying 225 gallons of petrol a year would pay more than at present.

And if the tax and associated costs were nearer 30p—which is more than likely—anyone buying over 150 gallons a year, or three gallons a week, would need to pay the tax contribution greater, he added.

Mr. Lambert criticised the vagueness of the document on the subject issued by the Government last autumn. The AA was "by no means impressed either with the logic or the basic arithmetic of the case the Government has so far put forward."

He warned that, while the registration fee might initially be set at a low figure, it would inevitably present an all too ready source of easily raised revenue.

Previous experience with the vehicle excise duty strongly suggests that the registration fee would be an easy target for increases as occasion required—and moreover, without any compensating reduction in fuel tax."

Mr. Lambert said the AA had a "very good year" in 1978 in financial terms—as would be revealed when the accounts are published in two months' time—and in membership, which reached a record 5.3m.

This year the AA will add 400 patrols, taking the total to 3,600.

**Bomb attack widow faces £300 tax demand**

A WOMAN widowed by a terrorist bomb attack has had a new shock—from the tax man.

Inland Revenue officials have demanded an extra £300 tax on the income Mrs. Lilian Thrupp gets from an appeal fund set up by Birmingham's Lord Mayor four years ago.

But she said last night: "I won't pay it without a fight."

Mrs. Thrupp's husband, Trevor, a railway guard, was one of 21 people killed in an IRA attack on two Birmingham pubs in 1974.

She has since received £2,600 a year from the Lord Mayor's fund, plus nearly £2,000 in widow's pension and child allowances, paying about £800 a year in income tax.

Now she has been told that her annuity is also liable to tax as an investment.

Mrs. Thrupp, of Rodbourne Road, Harborne, Birmingham, said the taxman originally claimed she owed them £600 for three years, but then halved the demand, admitting that they had not made sufficient allowance for her children, aged 19, 15 and 14.

"The money is taxed before I get it. I pay tax on it—but still they want more," she said. "It's just not on, and I have appealed against it."

**British Airports handles 40m passengers in year**

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIR TRAVEL to and from the UK boomed last year, with nearly 40m passengers passing through the seven airports owned by the British Airports Authority—Heathrow, Gatwick, Stansted, Prestwick, Glasgow, Edinburgh, and Aberdeen—nearly 15 per cent more than in 1977.

At Heathrow, the number of passengers handled rose 13.3 per cent to 26.5m, while at Gatwick traffic totalled 7.8m passengers, up 17.8 per cent, and at Stansted 317,000, up 5.9 per cent.

In Scotland, the improvement was even greater, with a rise of 18.2 per cent for the year to nearly 5m passengers. The busiest airport was Glasgow, with a 23 per cent rise to more than 2.5m passengers.

A significant feature of the figures is that the number of aircraft movements also rose

substantially, by 12.6 per cent to 504,900.

In the past, the growth in the number of aircraft movements has been much smaller than the growth in the number of passengers, indicating an increasing use of the bigger wide-bodied jets, each carrying more.

The latest figure appears to indicate that this trend may now be petering out, with more passengers travelling after facing the same objections as those put forward about the London plan—such as that the trade was too

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**European company in contract hire move**

By Ian Hargreaves, Transport Correspondent

FRAIKIN SA, which claims to be Europe's largest truck rental and vehicle contract hire company, is moving into the UK market.

The Paris-based company has opened offices in Hounslow, Middlesex, and plans to have a fleet of 100 contract hire vehicles in this country by the end of the year.

Fraikin already has subsidiaries in Switzerland and the US, and has a total of 9,000 commercial vehicles.

Mr. Peter Fawcett, general manager of the British subsidiary, said at the official launch of the venture yesterday, that the UK haulage market was now ripe for an extension of the contract hire system, whereby hauliers or industrial companies hire rather than own vehicles painted in their own livery and maintained by the hiring company.

Hauliers, following the recent strike and several years of rapidly rising vehicle costs, would be ready to switch from the conventional pattern of vehicle ownership to improve their liquidity.

The company is even offering to buy fleets of hauliers and cash flow problems and contract hire them back to the same operator.

**Bilston talks next week**

MANAGEMENT and unions are to have further talks next week on the future of Bilston steel works in Staffordshire. Urgent talks were held yesterday after Wednesday's rebellion by workers protesting at the plant's run-down.

British Steel wants to end iron and steel-making at Bilston under a 10-year plan, which could mean the loss of most of the 2,300 jobs.

Shop stewards, officials of the Iron and Steel Trades Confederation and senior management representatives agreed to a "full discussion" of the issue at the British Steel committee next Thursday.

British Steel planned to close two of the four remaining open-hearth furnaces by February 8 but when the first was ordered to be shut on Wednesday, workers delayed management and prepared to light a back-up furnace.

The management has considered selling Prestcold to an outside buyer.

The next stage in the Prestcold and Aveling Barford reviews will be considered by the board of BL in a fortnight. Consultation with unions at both companies will take place meanwhile.

Mr. Brooks is not being replaced at Aveling Barford International.

**Power schemes given £150m in EEC loans**

BY ROY HODSON

LOANS of £150m have been made by EEC institutions for coal and electricity development schemes in Britain.

The European Investment Bank is lending £101m for power supply schemes in England and Wales. The European Coal and Steel Community is lending £49m to the Coal Board to finance more colliery investment projects.

Most of the EIB loan—£70m—is to help finance the construction of the pumped storage hydroelectric power station being built at Dinorwic in the Snowdonia mountains, North Wales. The scheme will use off-peak electric power produced at night to pump water to a high-level lake. When power is needed at peak periods the water will be released to drive turbines.

The station is to be the largest of its kind in Europe and its six turbines will be capable of generating 1,680 MW for five hours. The pumped storage station is due to start production in 1981 and will cost nearly £400m.

EIB loans of £49m have already been made towards the project.

The Electricity Council is borrowing a further £31m from the EIB for modernising and extending regional electricity dis-

tribution systems. The money will be handled by the Mersey-side and North Wales Electricity Board, the North Western Electricity Board, and the South Wales Electricity Board.

The EIB is providing the £101m to the Electricity Council for 15 years at 9.45 per cent.

The ECSC loan to the Coal Board is for schemes to increase production. New coal reserves will be developed with the money, at Worsop Colliery, North Derbyshire, Brookhouse Colliery, South Yorkshire, Threlkeld Colliery, South Yorkshire, and Trelewin drift mine, South Wales.

Other Coal Board schemes that will be financed by the EEC money include increasing output from Daw Mill colliery in the Midlands, developments at Cortonwood colliery, South Yorkshire, Kinsley colliery, Barnsley, Yorkshire, increased output and a new coal preparation plant at Shireoaks colliery, South Yorkshire, and a scheme at the modern Kellingley colliery, in North Yorkshire to develop further areas of coal reserves and to improve surface facilities.

The terms of the loans will depend upon financial market conditions at the time of payment.

**Airline to stop cheap travel for unofficial strikers**

BRITISH AIRWAYS is to withdraw cheap travel concessions from staff who take part in unofficial strikes in an attempt to improve the "near anarchy" of its industrial relations.

The airline's 58,000 employees and their close relatives can fly for 10 per cent of the normal fare if seats are available under the concessionary scheme, which is seen as a substantial fringe benefit.

British Airways management hope that the threat to withdraw the concession, which would be in force for one year for employees taking unofficial strike action, will persuade unions to follow agreed disputes procedures.

Mr. Howard Phelps, personnel director, writing in the airline's staff journal, said that between July and January there were 68 unofficial stoppages and 53 other forms of industrial action which had cost the airline £10m in lost revenue.

He stressed that the decision was "not a piece of empty posturing" and that it had been taken against a background of "near anarchy" in the airline.

It will be followed through for the sake of the airline, its many staff who have no stomach for self-destructive industrial action and for the sake of its passengers who are being repeatedly treated with contempt."

**Keep schools open, plea from Minister**

By Michael Dixen

THE CAREER prospects of many children depended on pickets observing the unions' agreement that teachers should be allowed to enter schools to teach examination classes.

Speaking in Stevenage yesterday, Mrs. Shirley Williams, Secretary for Education and Science, said "I am not advocating that teachers or others should undertake the work done by members of unions who are on official strike. But there has been an upsurge in applications from hauliers for Continental haulage permits."

**Kendal £1.8m leisure centre**

WORK IS due to start soon on a £1.8m multi-purpose sports and leisure centre in Kendal, Cumbria.

The centre, to be known as the Westmorland Hall, will include a sports and music hall, a swimming pool and facilities for leisure and recreation activities.

There was a higher than normal volume of heavy traffic at Dover as manufacturers attempted to ship exports

at a four-hour strike by dockers.

Elsewhere lorry traffic began moving again and congestion at some ports was eased.

Hauliers who tried to move containers to inland rail terminals were told by operators that there would be no space for the imported containers until export cargoes which had piled up at Tilbury as hauliers faced the added problem of a four-hour strike by dockers.

The company is even offering to buy fleets of hauliers and cash flow problems and contract hire them back to the same operator.

**STOCK EXCHANGE BUSINESS LAST MONTH****Lack of confidence leads to quietest start since 1974**

BY GEOFFREY FOSTER

Escalating labour unrest and worries about interest rates served to depress investors' confidence to the extent that last month was the quietest start made to a year since 1974.

Partly due to the fact that there were three more trading days in January, the number of bargains transacted on the Stock Exchange was 25,023 higher than in December at 366,913, while total turnover was up £1.98bn to £10.18bn. This compares unfavourably with the January 1978 total of £14.4bn and the £20.4bn of January 1977.

The Financial Times Stock Exchange turnover index for All Securities moved forward to 312.4 from December's 251.1 but compares unfavourably with last year's monthly average of 354.5.

Business in equities rose to £1.26bn from December's £1.20bn, which was the lowest since June 1977. The number of equity deals improved by 19,738 to 273,783 and the average value per bargain was £653 up at £513. The FT Turnover Index for Ordinary shares rose to 261.5 from December's 212.9 and compares with the 1978 monthly average of 285.7.

Equity prices displayed remarkable resilience in January, considering the surrounding gloomy labour, economic and political scenes.

## THE WEEK IN THE MARKETS

## Gilt's take all the strain

THE LABOUR news has remained as depressing as ever this week. Some wage settlements have been struck at levels that not even the most pessimistic forecasts of a few months ago had allowed for, and official tactics remain unclear. The Government's determination to hold to its momentary policy is still expected to lead to a higher Minimum Lending Rate, and although MLR was held unchanged on Thursday gilt-edged yields have been under inexorable upward pressure.

Yesterday morning yields on the highest-coupon long-dated stocks moved decisively above 14.2 per cent and stripping out accrued interest in the long tap, Treasury 12s per cent 2003/05, has fallen 51 points from the level at which the Government Broker last supplied it officially in December. The market is now getting worked up about the money supply, as bank lending is generally supposed to be growing quite fast to finance stocks built up by companies during the haulage strike. So the pressure on the authorities to start funding again is growing. Whether a rise in MLR now, while labour developments still seem to be deteriorating, would be enough to turn the gilt market round decisively is another question.

Equities retain their miraculous resilience—the FT 30-Share Index has crept back towards 470, showing not the slightest inclination to crack. Institutions still seem anxious to build up holdings of equities relative to gilts, despite doubts about the damage likely to be done to the company sector by fiscal and monetary restraint on top of a welter of strikes.

**Sempre più Forte**  
Some individually strong share performances came from companies that reported figures during the week.

Trust Houses Forte's share price touched a new high of 271p yesterday morning after the company announced pre-tax profits growth of 46 per cent at £55.5m. After-tax figures show a less spectacular increase, but THF says the first quarter of 1978-79 has been well up on the previous year and forward bookings are healthy.

Despite the strong start to the current year and improvements in the balance sheet THF, which employs over 50,000 people, cannot be looking forward to its pay negotiations in May. Any dampening of UK consumer spending growth would hurt the group,

although a recovery of the dollar would allow the impact of its expansion in the U.S. to show through in profits more clearly. The shares are selling at 10½ times fully-tax'd earnings, against a sector average of 8½.

## BATs pleases

While THF is confirming an enviable profits record, there was nothing in the bald figures from either BAT Industries or Decca to justify the prompt enthusiasm for both stocks.

Excluding the effects of adverse currency movements, however, the tobacco giant achieved around 12 per cent growth and the annual pre-tax profit total of £433m was rather more than the market had anticipated.

To a considerable degree, the upturn can be attributed to the "other activities" item, which turned in a £14m operating profit improvement.

LONDON  
ONLOOKER

The sale of two food subsidiaries from this division was probably worth around £5.5m in loss minimisation while BAT took substantial capital profit on the sale of certain sections of the Tobacco Securities Trust non-tobacco portfolio.

These must be classed as once only benefits but the market is prepared to believe that the underlying growth pattern can be sustained at the pre-tax level. Recent cigarette price increases in the U.S. and Brazil will help and International Stores, at last, may provide some relief to BAT's ACT problems by breaking even this time after a loss of about £5m in the year to end September last. The end of the double run of both trading stamps and discounting must be an advantage.

So BAT, like the sector as a whole, should be capable of proving its defensive worth as the market peers into a bleak industrial and inflationary future.

## Faith in Decca

The strength of both classes of Decca equity can only be attributed to the fact that the market is prepared to look not just six months but a year and a half ahead when, at March 30, 1980 the electronics group is expected to draw the line on pre-tax profits of around £3m.

## MARKET HIGHLIGHTS OF THE WEEK

	Price Y/day	Change on Week	1978/79 High	1978/79 Low	
Ind. Ord. Index	467.3	+ 2.3	535.5	433.4	Despite grim labour situation
Government Secs. Index	65.80	- 0.76	78.58	65.80	Interest rate and other worries
Aeronautical & General	130	+ 24	135	85	Bid possibilities
Alpine Holdings	100	+ 17	100	36	Speculative demand
BAT Inds.	313	+ 30	346	260	Excellent annual results
Bolton Textile	22	+ 5	24	10	Persistent demand in this market
British Car Auction	681	+ 8	681	40	Possible bid candidate
Caledonian Holdings*	88	+ 20	88	68	London and Midland surprise bid
Castlefield	283	+ 28	305	165	New rationalisation hopes
Chadfield	75	+ 15	75	34	Investment recommendations
East Lancs. Paper	79	+ 9	80	43	Investment demand
Glenfield Lawrence	56	+ 23	56	29	Bid possibilities
IDC	150	+ 20	150	104	Impressive profits recovery
RTX	278	+ 20	280	164	Strength of base-metal prices
Ron Consolidated Mines	100	+ 23	100	52	Boom in copper and cobalt prices
Stock Conversion	206	+ 18	310	216	Investment recommendations
Whosoe	101	+ 11	101	63	Favourable press mention
Williams & James	147	+ 22	147	47½	Investment recommendations
Yarrow	345	+ 35	345	260	Vosper increases stake

\*Based on Wednesday's opening price.

## High-ho Silver

SILVER speculators are smiling again after a long period of discontent. While the surge in copper and lead prices on the London Metal Exchange this year has captured most of the headlines, silver prices have moved to record levels with a rise of over 30 per cent (from 283p to 334p an ounce) in the past three weeks.

The sharp rise in base metal prices, which will have more important repercussions for industry, has been one of the influences pushing the cost of silver up too. But it also seems that silver on its own account is now finding favour again with investors.

Last year investors shunned silver in favour of gold and platinum, whose prices rose spectacularly. US speculators exercised their new found freedom to buy gold instead of silver as a substitute, while a shortage of supplies boosted platinum.

However there are increasing doubts whether the rise in gold and platinum can be sustained to much higher levels, so speculators are taking another look at silver. It is argued that silver, as a traditional "hedge" against

inflation and currency changes, has become very much undervalued and needs to catch up with its fellow precious metals. Although silver has lost much of its monetary role by now

longer being used widely for coinage, it has a growing market in medallions and commemorative collections whose owners welcome an upward trend in prices.

At the same time it is an important industrial metal. Photography is the largest single outlet but it also has big sales to the electrical industry, and for alloys, electroplating, and tableware.

However the fundamental shortfall in production is offset by the "mine above the ground"—the huge stocks of silver built up over the centuries in coinage and by hoarding, especially in Far Eastern countries.

The latest estimate of easily available world silver stocks is some 734m ounces, but it is impossible to say just how much is tucked away in India and other countries which traditionally hoarded silver.

It is also impossible to forecast what price levels are required for these stocks to be attracted to the market. Current thinking is that it will require considerably higher price levels to unleash any major new outflow from surplus stocks bearing in mind inflation and the reduced value of the dollar. But hovering in the background is the possibility of a big release of 139.5m ounces of surplus silver from the U.S. strategic stockpile.

## PROFIT FROM PROFESSIONAL WEEKLY INVESTMENT ADVICE

Since 1966, when comprehensive follow-up tables were introduced and have since been published in the IC News Letter, the IC News Letter's weekly share recommendations have on average beaten the FT Index by substantial margins, averaging well into double figures (based on share prices a year after recommendation).

The IC News Letter, published every Wednesday, is available on postal subscription only at £25.00 for one year (£40.00 airmail) (includes filing binder) or £19.00 (£21.00 airmail) for a six-month trial subscription.

Enclosing your cheque (payable to Throgmorton Publications Limited) to:

Marketing Department FT1, Investors Chronicle,

ICNL Freepost, London EC4B 40J.

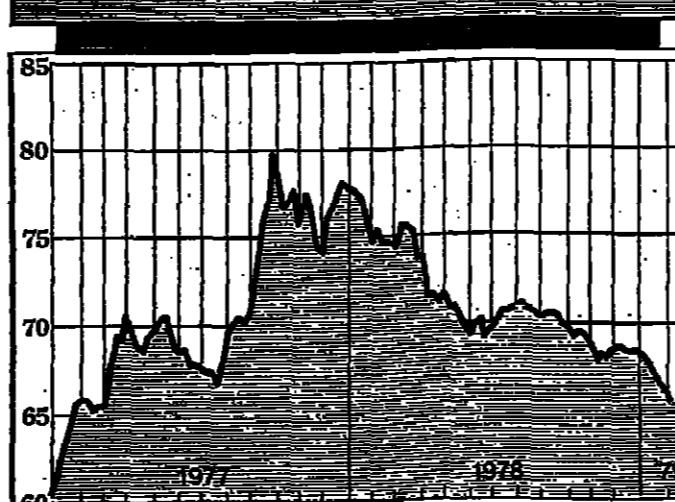
Badly affected by strikes, the halved interim profit provides a base for no more than about £7m pre-tax in the current financial year, where the prospective p/e must be standing in the middle twenties. But dealers are looking further ahead to a year they hope will be free of industrial problems and showing growth in the market for small electronics systems. That might imply a rating of perhaps 13 times 1978-80 earnings which would fall broadly in line with Racal and Ferranti—always remembering that these companies are anticipating 1979 rather than 1980 results.

But hopes must inevitably be reflected in the price but it is worth remembering that nobody has declared a 5 per cent stake and, for the moment, dealers report only piecemeal buying of the longish institutional lines that have been periodically coming out.

With a near 30 per cent holding in Dufay, Camrex is clearly in a position to keep watching brief on its erstwhile target.

Whether Dufay fits its part regards that holding as a cuckoo in the nest is another matter. The price, above any

## Government Securities Index



Stock Exchange is now undertaking a preliminary investigation into dealings over the relevant pre-bid period—and the ensuing confusion forced both sides into what the Camrex camp now admits were "hasty decisions."

With a near 30 per cent holding in Dufay, Camrex is clearly in a position to keep watching brief on its erstwhile target. Whether Dufay fits its part regards that holding as a cuckoo in the nest is another matter. The price, above any

thing else, appeared to be the main stumbling block but a rapprochement would now require some light and tactful bargaining.

## U.K. INDICES

Average weeks to	Feb.	Jan.	Jan.
FINANCIAL TIMES Govt. Secs.	66.21	66.70	67.66
Fixed Interest	67.76	68.92	69.99
Index: Ord.	466.6	445.7	478.3
Gold Mines	167.9	166.8	146.7
Do (Ex 5pm)	113.3	113.6	100.6
Deals mkt.	4,407	3,920	4,302

## FT ACTUARIES

Capital Gds. 230.82 229.60 234.95

Consumer (Durable) 205.15 205.12 210.83

Cons. (Non-Durable) 209.70 206.75 210.65

Ind. Group 217.60 215.91 220.49

500-Share 241.87 239.61 244.35

Financial Gp. 170.57 168.07 172.95

Motors and Distributors 4.0

Office Equipment 4.8

All-Share 223.67 221.20 225.47

Red. Debs. 53.61 54.27 54.64

Followed by the St. Louis Bank's lead then the credibility of this downward drift in an important short term interest rate would have been strengthened.

Unfortunately none did, until Chase Manhattan raised its head over the parapet after the close of the market to announce a similar move.

January went out with an agonised cry on Wednesday, partially because Chase was left and still remains in virtual isolation as the only major bank to have cut its rates.

For the first time in more than two years, moreover, Chase confirmed the general scepticism about this month's softening of short term interest rates by making it clear that its move should not be seen as a signal that short term interest rates would genuinely peak.

As January drew to a close this week the market began to appear increasingly breathless and fatigued and the rally which had added more than 50 points to the Dow Jones Industrial Average was seeming to grind to a halt.

On Tuesday the tiny Southwest Bank of St. Louis caused a mild frisson by cutting its prime rate from 11½ per cent to 11¼ per cent which was sufficient to halt a declining trend in the Dow for a couple of hours before an "if only" came into play.

If only a major money centre bank had swiftly

## NEW YORK

JOHN WYLES

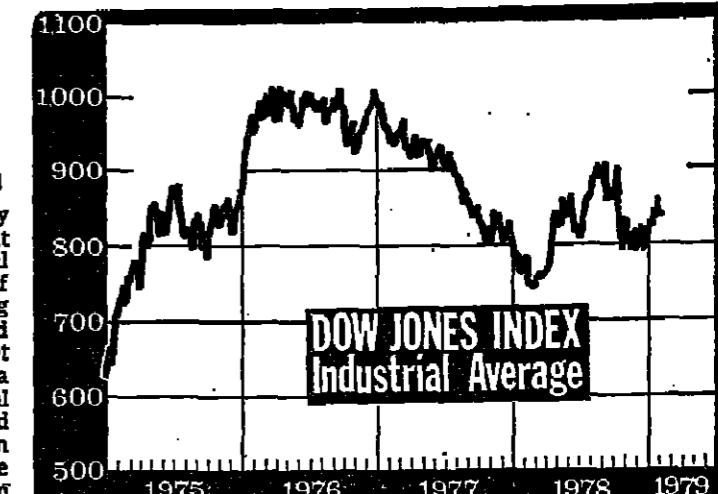
INVESTMENT in stocks is very much an "if only" exercise, at least for those seeking capital appreciation as a source of thrills and wealth. Buying stocks must be partly predicated on the belief that the market is like a greyhound following a continually stalling mechanical hare. If only someone would get the machinery right, then progress would be inevitable and victory and personal gain assured.

If only's apply to the financial, economic and political developments which influence the market and also to the choice of individual stocks. Each week brings its share and the past few days have been no exception. If only Ayatollah Khomeini would stop being beastly to Dr. Bakhshai, then the world would settle down again, its oil start to flow and the probable need for the U.S. to restrain energy consumption.

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Unfortunately none did, until Chase

DOW JONES INDEX  
Industrial Average

stocks are the most promising hunting ground for capital gain and many a share analyst spends hours poring over the balance sheets of small and medium sized companies looking for the thoroughbreds of tomorrow.

But the interesting feature of the New York Stock Market is that if only a number of household names had been purchased at their market lows over the past year, then some very attractive profits could have been made. Take Boeing Corporation for instance. In the past year, the stock bottomed at \$232 but a regular inundation of new aircraft orders from the world's airlines has carried the price to a 196 per cent gain of \$768. General Dynamics, the U.S.'s largest defence contractor, has appreciated more than 120 per cent, thanks to a settlement of contract disputes with the U.S. navy and the fact that it is now and was a year ago a respectably profitable and well-managed company.

## CLOSING INDICS

	Close	Change




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# Schlesinger American Investments Limited

## Interim dividend

The directors have declared an unchanged interim dividend for the current year to 30th April 1979 of 3p gross per share, subject to Jersey income tax at the rate of 20%, payable on 31st January 1979. Comparable figures for the previous year and the yield are shown in the table below. The net assets of the Fund expanded from £4,365,330 on 30th April 1978 to £4,990,124 on 31st October 1978.

Net income for 6 months to 31 October 1978.....	£285,967
Interim dividend for the year to 30 April 1979.....	3p per share
(The final dividend for the year to 30 April 1978 was 2.5p per share, making the total for the year 7.5p per share).	
<b>Dividend Yield.....</b>	<b>9.06%</b>

(based on historic dividend and current offer price of 80p).

## Company background

The Company is designed to provide residents of the Channel Islands, Isle of Man, Eire and the U.K. with a quality portfolio of American securities, giving an exceptionally high yield.

This high yield is achieved by using Gilts to neutralise the foreign currency loan facility (used to reduce the risk of the dollar premium). Yield as well as risk reduction is improved by the use of U.S. traded options, particularly through the Company's heavy investment in Schlesinger American Options Limited, a Bermudian investment company with similar aims which is designed for non-resident investors.

Shares are issued and redeemed at prices based on net asset value. The shares of the Company are listed on The Stock Exchange in London. Shareholders receive the Schlesinger "PIMS" Service.

A copy of the full prospectus of the Company, the PIMS report and the latest report and accounts, on the basis of which alone applications for investment will be accepted, may be obtained by writing to:

**The Secretary,**  
**Schlesinger International Management Limited**  
41 La Motte Street, St Helier, Jersey, Channel Islands.  
Telephone: Jersey (0534) 73588.

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Perhaps you'd make a very good share manager. If you had the time.

But today's economic climate makes the expert management of shares, more than ever, a full time job. And that's why you benefit by exchanging your quoted shares for Canlife units.

Our professional share managers are able to give your investment the kind of up to the minute attention demanded by present market conditions.

What's more, when you exchange your shares, you'll get preferential terms and the advantages of a broadly based portfolio by investing in one of the two Canlife Unit Trusts. The General Trust aims to secure an attractive balance between growth of capital and growth of income, while the Income Trust is aimed toward greater income with good prospects of long term growth. Remember that the price of units, and the income from them, may go down as well as up.

In addition, an investment in Canlife Units offers certain Capital Gains Tax advantages.

As part of The Canada Life Group, currently managing assets in excess of £10,000 million, Canada Life Unit Trust Managers can call upon a wealth of investment experience which reaches back 130 years.

So send in the coupon for details of our share exchange scheme.

And benefit from the investment experience of The Canada Life through Canlife Unit Trusts.

Member of the Unit Trust Association.

To: Canada Life Unit Trust Managers Ltd, 8 Charles II Street, London SW1Y 1ND. Telephone: 01-830 8122.  
Please send me details of the Canlife Share Exchange Scheme.

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Address \_\_\_\_\_

## Canlife units

Experience—where experience counts.

Not available to residents of the Republic of Ireland.

FT 3/2/79

## School Fees: A new approach

If you're in the top tax bracket, there's a new school fees plan designed specifically for people in your situation. It's based on a little known tax scheme (NOT a charitable trust) and it can produce tax savings substantially greater than with just about any other scheme—as well as providing the added security of life assurance cover.

If you think crippling taxation will rob your children of a private education, think again—and fill in the coupon.

To: Ian Landless Associates, 36 Baker Street, London W1L  
Tel: 01-433 8171 (24 hr Ansafone 04867-3618)

Name \_\_\_\_\_

Address \_\_\_\_\_

Top marginal tax rate \_\_\_\_\_

Present age of children \_\_\_\_\_

Bus. tel. no. \_\_\_\_\_ Home tel. no. \_\_\_\_\_

FT 3/2

## Family Bonds

### Invest in Government Stocks and Equities FREE OF TAX

Family Bonds are completely exempt from income tax and capital gains tax. They offer you the way to invest in a tax-free fund—which has an advantage of about 40% over taxed funds.

Furthermore, there is an extra investment and tax advantage if you invest before 6th April.

The maximum investment currently allowed is £10 a month or £120 a year if you are under 45) and £11 a month or £132 a year if you are over 44). Alternatively, if you want to invest a lump sum of about £1,000 now, you can fund your annual premiums at a discount of about 25%.

The Family Bond is a unique unit-linked investment, available only to family men and women. Naturally, unit prices can fall as well as rise; however, as the investment is completely tax-free, the value of your Bond can be expected to grow by at least 12% p.a., which would more than double your money over ten years. Indeed, the growth to date has been at an even faster rate.

If you would like further details, please complete the coupon and return it to us—no stamp is required.

**Julian Gibbs Associates Limited, Freepost 13,  
London W1E 2QZ, or telephone 01-487 4495**  
Please send me details of the Family Bond.

Name \_\_\_\_\_

Address \_\_\_\_\_

Tel: Day \_\_\_\_\_ Home \_\_\_\_\_

Tax Rate \_\_\_\_\_ Date of Birth \_\_\_\_\_

## UNIT TRUST AND INSURANCE OFFERS

Canada Life Unit Trust Managers Ltd. 6

Chieftain Trust Managers Ltd. 7

Craigmount Unit Trust Managers Ltd. 7

Gartmore Fund Managers Ltd. 8

M & G Group Ltd. 1

Save and Prosper Group Ltd. 5

Schlesinger Trust Managers Ltd. 6

## FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 16.2.79.

Terms (years) 3 4 5 6 7 8 9 10

Interest % 13 13 13 13 13 13 13 13

Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-928 7822, Ext. 177). Cheques payable to "Bank of England, a/c FFI". FFI is the holding company for IFCG and FCI.

## FINANCE AND THE FAMILY

### The new state pension scheme

#### BY OUR LEGAL STAFF

I have recently joined a new company after having had several jobs in respect of which my pension rights are frozen. My new firm has little or nothing in the way of pension provisions, so I wonder if it might be better for me to contract into the State scheme, as I understand the pension is awarded on the best 20 years' earnings. Is this so?

I understand additional voluntary contributions are tax deductible in their entirety.

Could I arrange with my employer and an insurance company to make such eligible payments?

I have read that it is not worth an employee's while to make voluntary contributions if he may move and that he would be better advised to put his money into some form of endowment policy. Do you agree?

You are automatically in the new State pension scheme (the "Castle" scheme) unless your employer has a pension scheme that is better than Castle, and has elected to contract you out. There is nothing to prevent him running a pension scheme on top of Castle and the State flat rate scheme. From what you say, your employer offers "little or nothing" in the way of pension and so we presume that you must be in the Castle scheme.

The Castle scheme only provides benefits for service after April, 1973. You do not get any pension if you are 40 or more

you will only get 1/80th of your earnings in excess of £18.50 per week for each year you contribute and earnings in excess of 7 x this figure are ignored. These earnings are, it is true, revalued but then so is the first tier of earnings that does not count for Castle pensions. It is only if you have more than 20 years to go until age 80 that your pension is based on the best 20 years' earnings. Is this so?

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young employee in a 60ths final salary scheme expecting to complete 40 years and so get the Revenue maximum (40/80ths) would likewise gain nothing. For the majority of people it makes sense to pay voluntary contributions or buy a self-employed policy. An ordinary endowment does not give such a good tax deal but you can surrender the policy, use it for borrowing or other purposes before retirement. The choice, therefore, depends upon personal needs and circumstances.

It is only possible to pay voluntary contributions if you are actually in a scheme run by your employer and if that scheme provides the facility.

If you are not in a scheme then you can go to an insurance company and pay self-employed contributions. Intrinsically, both voluntary contributions and self-employed retirement annuities ought to be better investments because you get 100 per cent tax relief on your contributions and these contributions when invested earn interest, dividends, etc. free of tax.

What you have read relates to special circumstances only. A senior executive, for example, who is in a powerful position to negotiate a special deal with an employer giving the Inland Revenue maximum pension as part of his service agreement, gains nothing by paying voluntary contributions because any pension bought by voluntary contributions is knocked off the amount the Revenue allow his employer to provide him. A

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No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered as soon as possible.

taxation agreements with, for example, the U.S. in volume F of Simon's Taxes.

Although 1972-73 is the earliest year of assessment for which you can undoubtedly claim tax credit relief, etc., the time limit may extend further back than that. In Simon's Taxes, or another reference book in the library, you may like to see whether you can benefit from, for example, section 512 of the Income and Corporation Taxes Act 1970 or section 33(1) of the Taxes Management Act 1970.

### Preference share gains

On some ordinary shares I held, I received in 1966 a capital issue of 7½ per cent preference shares. These I sold in 1977 and showed the amount realised, £25, in my return for that year and the cost as nil. In 1977-78 I sold by holding, and the Tax Inspector drew attention to the preference issue which I had not shown in my 1977-78 return. I explained I had already shown this in 1966, but he has ignored this and adjusted the original price of the shares to take account of the capital issue in 1966.

If the foreign taxes you have in mind are charged on income and correspond to income tax, they should be eligible for credit against the income tax on the rent, etc., from the land in question, under either section 498 of the Taxes Act or the double taxation agreement (if there is one) between the U.K. and the country in question.

It would have been easier to help you if you had given us more precise facts and figures. At one point you say you sold the preference shares in 1977, but elsewhere you imply that you sold them soon after their issue in 1966. If the £24 chargeable gain which you mistakenly returned for the preference shares was included in an assessment made on or after April 6, 1972, you should now claim relief for the tax year in question, under section

## COLLECTING

## The Biedermeier interior

BY JUNE FIELD

**BIEDERMEIER** furniture of the early 19th century is sturdy and sensible, with good clean lines, ideal for everyday family living. Occasionally though it lapses into the grotesque, as in robust, top-heavy pieces over-ornamented with heavy gilt bronze mounts, stamped brass sheets, ebonised columns, fussy pediments and so on.

The term Biedermeier, which applied to the whole life-style of German-speaking countries during the years between Waterloo and the revival of the Rococo, is a combination of bieder, plain, unpretentious and inoffensive, and Meier, one of the most common German surnames. (So a Biedermeier is an honest upright citizen, irreproachable and solid.) The name was given to an imaginary poet invented by Heidelberg physician and university teacher Adolph Kussmaul and Ludwig Eichrodt, chief district judge in Lahr, Kussmaul being in-

spired by the poetry of a village schoolmaster Samuel Friedrich Sauter, to write ironical poems in Sauter's style under the pseudonym Gottlieb Biedermeier. He made his first appearance in 1833, and from 1835 appeared regularly in the humorous journal *Fliegende Blätter*.

It was not until the 1830s that Biedermeier became the accepted term for the decorative arts of the early part of the century, a description at first mocking and derogatory—Fritz Minkus, contemporary writer called it "a style whose main characteristic is its lack of style—of infinite dullness and irredeemable tastelessness which we have long since considered beneath us and held up to ridicule."

Interest in what above all is a typically *gemüthlich* and homely way of living, has been revived this week by the opening of a remarkable exhibition

at the Victoria and Albert Museum until April 1—Vienna In The Age of Schubert—The Biedermeier Interior 1815-1848.

The organisers, the Museum of Applied Arts in Vienna, a daughter institution of the V. and A. have chosen Franz Schubert (1797-1828), as an appropriate musical patron because his works were mostly for a small number of amateur musicians to appreciate and perform at home. (Perhaps this may account for the fact that when he died, aged 31, his possessions were valued at only 63 Vienna florins, £2 10s.)

In this Vormärz period, restricted by political constraints and the forcible intervention of government censorship in all areas of daily life, first the middle classes and then the aristocracy turned their backs almost completely on public life. Writing in the lavish catalogue, exhibition organiser

Dr. Christian Witt-Dörring points out: "The consequence of this was refuge in a peaceful and sheltered domestic life within the family, in which sufficient space and time was given over to the cultivation of personal interests. Among the basic features of this highly developed family culture were the organisation of family musical evenings and domestic cultivation of the arts. (A) harmonious family life which, organised into a private, self-contained little world of its own, helped give their lives meaning."

Adalbert Stifter (1805-68), in his novel *Nachsommer*, designated "pure family life" as "the greatest happiness."

The living-room, the focal point of the family, was accorded such a degree of significance and importance that it now became an independent theme in painting, so demon-

strating an important character-

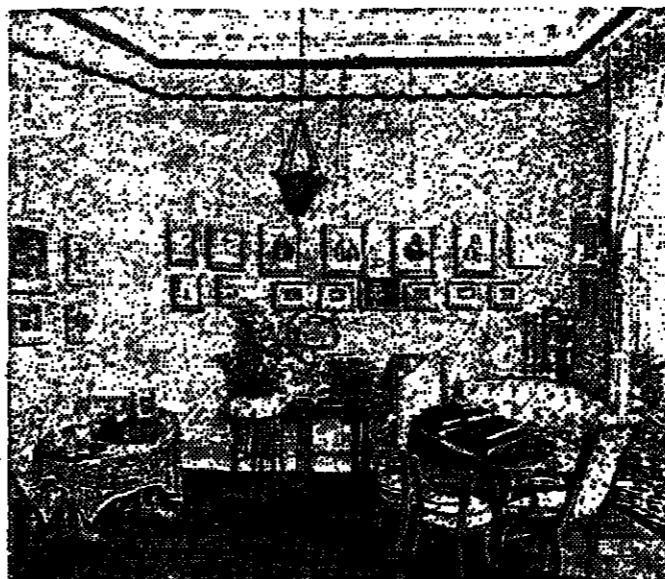
istic of Biedermeier man, who was very anxious to document and record his beloved and familiar environment.

The formation of *Wohnzimmer* (activity areas)—the arrangement of various groups of furniture in accordance with the different interests of individual members of the family—were obviously the forerunner of Victorian English "cosy corners." Bedrooms doubled as private sitting-rooms for parents, fitted out with a comfortable chair or couch and writing table. A delightful watercolour by Johann Stephan Decker in the exhibition shows a typical dressing-room of the period, whose furnishings included a particularly useful item, a *Taschenlehrer* (pocket emptier), also called a *Sarcone* (small glass cabinet), on which the contents of the pockets when undressing could be stowed away.

Collectors and historians should certainly have a copy of George Himmelheber's scholarly book *Biedermeier Furniture* (Faber and Faber 1974, £17.50, newly bound, and still in print). It is the definitive work in English which sparked off interest in the whole Biedermeier *ambiance*, documenting the original exhibition put on by the Vienna Museum in 1896 which marked the beginning of a new and more objective attitude towards Biedermeier. The excellent catalogues of the new exhibition at the V. and A. bring fresh light on the leading Viennese cabinetmakers Benedict Hall (1753 or 5-1833) and Josef Ulrich Danhauser (1780-1829), originally a sculptor by training, together with his eldest son, distinguished painter Josef Danhauser (1805-1845).

Biedermeier furniture does

get into auction from time to time—there were eight lots due to come up at Sotheby's yesterday, and on Thursday Christie's have two work tables, a dressing-table, secretaire and six walnut dining-chairs in their Continental furniture sale. The estimates of between £150-£400 on each item, do not seem unreasonably high, given the pieces are only attributed to style rather than designer or country of origin.



the Victoria and Albert Museum's exhibition "Vienna in the Age of Schubert—The Biedermeier Interior 1815-1848," a watercolour of a typical Biedermeier living-room, showing the arrangement of the furniture to provide *Wohnzimmer* (activity centres), for individual interests of the family.

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## How to avoid the comprehensives

## EDUCATION

MICHAEL DIXON

**BELLOW** the word "Headmaster" on Donald Mathewson's study-door in the Althallows independent school in south east Devon he might fairly add the subsidiary title: "and Marketing Manager." The reason is that, having identified what he sees as two kinds of growing consumer-need for independent schooling, he has swiftly organised Althallows to supply them.

"It all began when I noticed an increase in the number of parents wanting to move their children from the State to the private system at the end of their primary schooling," he said this week.

In most instances, these parents had been satisfied with local authority education up to the 11-year-old stage, but were worried about sending their offspring on to comprehensive schools.

No doubt the majority of people working in education would summarily convict such parents of social snobbery. But for families realistic enough to have noted that a successful record in education is fast coming to have a dominant influence over a youngster's career prospects, there is evidently a rational argument for avoiding comprehensives.

I am beginning to suspect that the same child would have less likelihood of being so motivated in a comprehensive school than in one of the selective kind. The suspicion rests on a well observed general tendency among children to prefer being in the swim even if it means working hard, to being out of the swim. So it would seem to

follow that, on average a youngster would have a greater prospect of being motivated in a selective school where it is fashionable to be successful than in a comprehensive where the tendency is often the other way round.

But, moving a child from State to independent schooling at the age of 11-plus is a risky business. Fee-charging secondary schools prefer to recruit pupils at the age of 13 through the Common Entrance examination. The child from the State primary will therefore probably have to spend the next two years in a private preparatory school. This means breaking into a class of pupils who have mostly been together since they were eight, which can be a considerable emotional strain.

In addition, the prep's syllabus is likely to differ from that of the primary school. So the youngster could find a good deal of previous learning no longer applicable, while having to catch up a lot of ground in other directions before the Common Entrance examinations, on which admission to an estimable independent secondary school would depend.

Hence Mr. Mathewson's scheme at Althallows, which takes only boys in its lower forms although there are now 29 girls in its 136-strong sixth forms. To lessen the strain

from previous head-teachers, and performance in the auto-biography-in-interview process are considered to merit a reduced fee.

"We'll probably give a 10 per cent reduction as or right to a boy or girl who is good, and 20 per cent in the case of one who's damned good," Donald Mathewson said. "But beyond that, if a family's finances justified it, we'd be prepared to defray up to 60 per cent of the fees."

"I can't see it would be right to give more than that," he added, "because it must cost at least two fifths of our fee level just to keep a youngster of that age in food and so on at home. I mean, they eat like horses, don't they? They simply shovel the stuff in."

Those selected are told that provided they earn favourable reports during the next two years at a preparatory school, they will be guaranteed a place at Althallows regardless in effect, of their results in Common Entrance. Candidates judged to be outstanding—and not just academically—could be offered financial assistance towards paying the school's £704 termly fee. Moreover, exceptional candidates could also gain modest reductions in the fees of several of the 20 or so prep schools which Mr. Mathewson, having no directly linked preparatory establishment, has so far persuaded to associate themselves with the scheme. The first tests will be held on April 20 and 21.

His other marketing development is intended to help parents who wish to transfer boys or girls to an independent boarding-school sixth form after they have completed the GCE Ordinary level stage at 16-plus.

Here Althallows is to offer senior scholarships to youngsters whose academic and other record as judged by references

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This offer is not available to residents of the Republic of Ireland.

FT32

# \$ GOLD

## How much is left in Fort Knox?

This month's World Money Analyst has an exclusive interview with Professor Anthony Sutton, best selling author of *War on Gold*. He asks: Why does the US Government refuse an independent audit of its gold stocks in Fort Knox? How much is really there? How much is low grade melt gold? In this revealing interview Sutton has investigated, hard to get, US Government documents and come up with some startling conclusions about the gold holdings—conclusions which could be very bullish for gold!

The World Money Analyst is a 16-page monthly digest for professional advisers and investors. It has thousands of subscribers in 33 countries. Coverage includes economics, shares, bonds, currencies, commodities with special emphasis on gold and other precious metals. Tax haven advice, too. Annual subscription £4.80 airmail worldwide. Three month trial subscription only £2.50. All subscribers receive a special report on gold FREE. Full refund of subscription if not completely satisfied.

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FT3

## TAX ADVANTAGES

You may surrender your Bond whenever you wish without incurring any liability for Basic Rate Income Tax or Capital Gains Tax (and without any surrender penalties or charges).

However, if you have made a very large gain, or if you have a high income at the time you surrender, there may be a liability for Higher Rate Income Tax or Unearned Income Surcharge.

About this point, though, it is worth consulting a financial adviser, for with careful planning these taxes may be reduced or avoided altogether.

## GENERAL INFORMATION

Income facilities. As mentioned, the Managed Equity Income Fund will pay an income of 5% net per year automatically.

From other Funds you may arrange automatic withdrawal of whatever amount you require—although it is advisable to keep the figure at 5% net p.a. or below. The reason is that, on withdrawals of over 5%, a tax charge may arise.

Life Assurance Cover. The Bond provides life cover calculated as a proportion of the selling price of your units at death. A full table is shown in the policy but examples are:

Age	Percentage Guaranteed
35	15%
50	10%
75	10%

In cases of very large investments a medical examination (at the Company's expense) may be required.

Prices and Charges. Prices are published daily. Purchases are made at the price ruling on the day following our receipt of your written instructions.

There is an initial charge of 5% and annual charges which amount to 0.5% p.a. (0.5% p.a. on the Cash Fund).

Every May and November you will receive a report on the Bond's performance.

How to buy. To invest in a Bond complete the application form below and send it with your cheque to Chieftain Trust Managers. The minimum total you can invest initially is £1,000, and the minimum you can put in the Managed Equity Income Fund.

You can take out a regular monthly Plan linked to the Funds which will give you tax relief and tax free profits. Tick the box in the coupon for details.

We will send you details of the number of Fund units allocated to you, and a full prospectus, within days; a policy document will follow shortly after.

Basic Resources Fund. Through this Fund you may enjoy skilled investment in companies all over the world which are involved in the production and distribution of raw materials and energy. The aim is to secure maximum profit in some volatile markets.

Cash Fund. The purpose of this Fund is not so much as an investment in its own right, but as a short-term alternative if you are uncertain which markets to choose for a time. It invests not in unit trusts, but in interest-bearing short-term cash deposits.

It is important to remember that whichever Fund or Funds you opt for, the Bond should not be regarded as a short-term speculative investment. The value of the Fund units, can go down as well as up.

I enclose my cheque for £ \_\_\_\_\_ for investment in Chieftain Life Assurance Co. Ltd, 3464 High Street, Chelmsford, Essex CM1 4NR. I wish to invest in a Chieftain Investment Bond as detailed below.

If you would like to receive an income from your investment through the Withdrawal Facility, please indicate the amount required. (A withdrawal of over 5% may give rise to an immediate tax liability. Details of the Managed Equity Income Fund will automatically be paid 5% income from May and November.)

## YOUR SAVINGS AND INVESTMENTS

Official red tape is threatening the big banks' freedom to provide overdrafts to personal customers, writes Michael Lafferty

### Battle of the overdraft

IS THE British overdraft about to disappear as a result of the Consumer Credit Act? The clearing banks generally have been complaining about the threat to this great British institution ever since the Consumer Credit Act hit the statute book back in 1974. The truth is likely to emerge in the next 12 to 18 months as the Government moves to implement further stages of this purely enabling, though highly complex Act.

Possibly the greatest question mark is whether the Government will treat overdrafts as exempt agreements. Unless exempted, every overdraft will have to be formalised in a

written agreement. In addition, the agreement will have to quote the total charge or supposed "real" cost of the overdraft, as a percentage. The clearing banks say, is impossible since overdraft interest is calculated on day-to-day balances which cannot be determined. In

bank customers exceed agreed overdraft limits each year. And once customers know their real limits their chances are that will continue to behave as before.

So unless overdrafts are exempted from written agreements customers will probably suffer many more "bouncing" charges.

The only alternative may be for the banks to make use of their own "secret" credit limits, which attach to the accounts of many customers and determine when a bank may really start to return cheques. This the clearing banks are very reluctant to do because experience indicates that as many as 50 per cent

of bank customers exceed agreed overdraft limits each year. And once customers know their real limits their chances are that will continue to behave as before.

Another feature of the Consumer Credit Act which is giving the clearing banks headaches concerns the right of customers to ask for quotations of what a particular form of borrowing will cost. Not only is a person likely to get different quotes for the same facility depending on how each bank

sets credit limits, but rates could even vary according to whether a particular bank charges interest quarterly or half-yearly.

Nevertheless, Frank Eglin, Midland Bank's consumer credit expert, remains confident that whatever emerges will not stop the overdraft system outright. It will simply mean less flexibility in what the banks regard as the most flexible customer arrangement they have. So overdrafts should continue to be available but may have to be accompanied by much more paperwork, while bank customers may have to be more careful not to go over the limit. To this extent at least the Consumer Credit Act will increase the cost of the overdraft.

"The customer has to pay for his own protection," says Brian Washington, National Westminster's expert on the Act.

Enough to fund premiums of £9,49 a month into an insurance-linked savings plan with the Cheshire Building Society. After 41 years starting in June—the first payout date from the stock—the plan will build up to a value of £701.50. There will be a final pay-out of just under £27 interest on the stock plus the redemption value of £1,700. This gives a total of £2,458, or £1,700 more than the money two months earlier than from the certificates. This represents an unbeatable net return of 10.7 per cent a year.

The building society rates are subject to fluctuation but this makes very little difference to the sums—the main support for the high return on these plans is tax relief. For the purposes of illustration the sums ignore the fact that the Cheshire, whose plans are insured by the Royal Insurance company, takes premiums in multiples of £1. The minimum you can put in is £8 a month.

If instead he goes into Exchequer 10 per cent he will have enough to buy £1,700 nominal with some change left over. The stock will pay nearly £114 a year after tax—adding up to a total of nearly £570. So even without reinvesting the income he is assured of a total return of £2,270.

The income will, however, be

purely coincidental. But it is a useful pointer to the future for the unit trust industry generally in the face of tight curbs on unit trust charges.

Chieftain is not only offering investors a tax efficient regular savings route into its six individual trusts. It is also providing management of those trusts through a managed equity growth fund and a managed equity income fund, where it will mix the proportion held in each trust to meet current conditions. In particular, the income fund will be managed to ensure that the 5 per cent withdrawal facility will be met out of income and the investor will not have to cash in units to pay for withdrawal. One drawback of withdrawal schemes is that in a bear market the investor may eat into his capital in order to provide income.

The attraction of insurance plans for unit trust groups is that charges are not controlled and so can be considerably higher than on direct holdings of units.

On the bond side, Chieftain's charges are highly competitive compared to most other groups' bonds—but at 5 per cent initially and 4 per cent annually, they are still more than you would pay on a direct holding of Chieftain units.

There is a 50p policy charge on the regular savings plans and the first three months' contributions go towards expenses. Thereafter 100 per cent of your money is invested for you.

The timing of this move, coming in the same week as the thumbs-down for unit trusts

charges to be increased, is

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## BOOKS

**Outlook good**

BY C. P. SNOW

**Transatlantic Blues** by Wilfrid Sheed. Sidgwick and Jackson. £5.50. 312 pages**The Good Word and Other Words** by Wilfrid Sheed. Sidgwick and Jackson. £6.95. 300 pages

For some time past, people of good judgment have been telling me about the merits of Wilfrid Sheed. Somehow, until this past week, I haven't read him, except for odd articles. These two books drilled it into me that my informants were right, and more than right. He is a real writer. In more orthodox terms, he is one of the most interesting writers on the Anglo-American scene.

In modern literary circumstances, any label is better than none, and labels stick. For the rest of his career, Sheed is likely to be classified as the transatlantic man, linked by different strands of emotion on each side, with a splendid ear for both vernaculars. He himself hasn't discouraged this bit of pigeon-holing, and the hero of *Transatlantic Blues*, his latest novel, makes his own kind of spurious TV fame because of it. It seems to be a self-cannibalising facade behind which Sheed chooses to hide. Actually he is so good that he doesn't need any prop at all. He would have made his name either as an English writer or an American, without any of the double-talk. Still, perhaps it is as well to be clear about his origins.

He is English by birth. His father and mother founded the Catholic publishing house of Sheed and Ward—Mae Ward, his mother, wrote a biography,

and a good one, of G. K. Chesterton. The family moved to America in 1940, when Wilfrid was a child, have kept the publishing firm afloat in New York, and have retained intimate English links. Wilfrid Sheed includes a short piece about his parents in *The Good Word* and it is a small-scale model of delicacy, astringent taste, and affection. The father and mother are demonstrably more remarkable people than the Chatsworths in *Transatlantic Blues*, an English Catholic family who also moved to America, leaving behind their closest relatives, all impeccably upper-class, Catholics since Elizabeth's time (and, of course, before), becoming faded now, with a derelict stately home and all. These romantic survivors are the only serious flaw in a novel of biting talent. Why is it so difficult to write plausibly about the antique Catholic upper class? They stand out like a bandaged hand in *Brideshead Revisited*, otherwise an untempered and misjudged work. Sheed shows much more literary tact, but for once his touch is faulty. Maybe a non-Catholic ought to have a try.

In all other respects, the novel is fine. The central figure, once Pendrie Chatsworth, now Monty Sheed, a star television performer-interviewer. He describes himself, with self-loathe, as a bad blend of David Frost and Norman Mailer. He is unhappy to the edge of despair. His capacity for self-loathing is inordinate. He wants to live a respect-worthy life. He wants above all to gain or recapture, the faith which would obliterate self. He is pinning to confess the treacheries of his past. Yet he

is high-spirited, active with the lust of the eye and the pride of life.

A good many of the incidents are broadly farcical. I have to say that much of the praise the book has received—and it deserves high praise—seems to regard it as a hilarious romp.

I found it disarmingly sad,

about as hilarious as Kierkegaard in his less euphoric moments, or any other self-lacerating expression of introspective religious experience. It is black with guilt and doubt.

Has any other religion in the world ever inflicted its believers to this degree?

Sheed's talent is deep, sharp and narrow, as G. H. Hardy used to say a certain kind of mathematician, meaning it as an



Wilfrid Sheed

unqualified compliment. He is constantly witty. Sometimes he is very funny. He has constructed a language of his own, made up of demotic American mingled with ironically formal English-English. This language is nicely flexible, and he can use it for all the effects he wants, in the text of his novel and also in his critical essays.

It reminds one a little of the personal language of P. G. Wodehouse, about whom Sheed writes much the most level-headed comment that has yet appeared.

There is one technical grumble. It will sound perverse.

Sheed doesn't know who to be

boring. Most writers, including the greatest, don't need to know this. They just are boring now

and then—often without mean

ing to be, and for too often and for far too long. But patches of what in polite professional jargon are called rest periods, do once more, they make the book easier to read. Right through this novel of Sheed's, the attention is strained without any let-up, and this detracts from the reader's spontaneous response.

His essays in *The Good Word* and *Other Words* are in exactly the same vein as the novel. As he says himself, so they should be. A real writer of his excellence doesn't put on a different suit when he writes critical pieces instead of a novel. His criticism is just as deep and sharp as his fictional work, especially when he is writing of someone he has sympathy with

—see the articles on Edmund Wilson, Evelyn Waugh, Thurber, Fitzgerald. I have seen nothing better on any of those. He isn't easily pleased, but is not ungenerous. It is a shade disappointing that his subjects tend to be the conventional subjects of the day. He doesn't stay from the O.K. names of the London-New York axis. That may have been due to the constraints of occasional journalism.

When he gets away from criticism and his concentration on a single writer, to whom he can give his total mind, he is not so impressive. As a rule he is entirely sensible, and writes like a cultivated man of good will, but he doesn't possess much in the way of original social insight or extended imagination. However, he can't be expected to possess everything.

Lord Denning is undoubtedly the outstanding judge of our times. He is wise and humane and thinks goodness for that. If a clever judge is to shape the law for modern conditions, it must be someone with those qualities. Purists would argue that judges should not have law-making powers and that such interference is intolerable.

Perhaps Lord Denning has not always got it quite right. But in the book he admits his errors and this is part of his charm and greatness. He shows no signs of retiring and as he was appointed before the requirement that judges retire at 75, he has no need to do so. He sits five days a week in court and spends weekends writing his judgments. He ends his book with the words "I must get on with the next case. Nothing must be left undone."

His plan was to put the cylinder at the inlet to the ventilating system and to release the gas into court. It would emerge from the outlets which were just in front of counsel's row. So the gas, he thought, would enliven their speeches. It would be diverting for the others. A relief from the tedium of pornography. Balogh was caught before he could implement his plan and was immediately sent to prison for six months for contempt. He appealed and Lord Denning ordered his release.

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The opening chapter of this book tells the young lawyer that he must cultivate command of language. In addition to clarity of expression Lord Denning has a wonderful narrative style which makes his judgments a delight to read. One of my favourite examples is in *Bullock v Crown Court*. A young unqualified clerk was employed by a firm of solicitors acting for the defendants in a pornography trial. Lord Denning tells the story "The case dragged on and on. He got exceedingly bored. He made a plan to liven it up. He knew something about a gas called nitrous oxide, N2O. It gives an exhilarating effect when inhaled. It is called 'laughing gas'. He had learned all about it at Oxford. During the trial he took a half cylinder of it from the hospital car park. He carried it about with him in his brief case."

Lord Denning has been able to achieve these and other chancery because of his willing

case."

His plan was to put the

wards, might have shrunk from the task.

Still, Stephen Birmingham knows her name. He's not so good on other peoples. In one I could easily check he invented a title and misspelt the surname. But that may be unfair. Generally he seems to have done his homework as thoroughly as any sensible man who knows he's short of intimate material. The result is that the most interesting part of the book relates the early history of the Bowlers, the heady days of Wall St. fortunes which lead with such dramatic justice to the Crash.

Our heroine's childhood passed in the kind of luxury

that made people outside the magic circle jealous but was never totally reassuring to those inside. Luckily her mother was a good trouper and one rich husband, "Jack the Sheik" crashed, quickly found another even richer.

Among all the winners the discarded "Jack the Sheik" comes across as one of the most sympathetic characters in the book, reaching a peak of Lear-like tragedy when, over-excited at the prospect of giving away his beloved daughter in maziminity, he becomes so incapacitated with drink that his place is taken by his most hated rival, her step-father.

Stephen Birmingham, in his more analytic moments, makes a fairly convincing argument that Jackie spent most of her early life looking for a strong male figure. Showing laudable gallantry, he makes this need far more important to her than money, power, attention or any of the rather more obvious perks of her marriages. He points out that Kennedy need her "class" just as much if not more than she needed his success, which was, after all, achieved with her help after their marriage.

Onassis, he suggests, wanted her for the same sort of reason, though in his case it was only to satisfy his personal vanity and not based on good solid reasons of ambition. Jackie, according to Birmingham, married Onassis not for what Olympic Airways could buy—although he has to admit that she herself was their first buy in a thoroughly worked-over legal package—but because she had just lost another strong man in Bobby Kennedy and needed a replacement.

Occasionally this gallant approach slips enough to allow quotes from our heroine's detractors. But these, of course, are quickly denied as total fabrication. On the whole, it's only fair to say, Birmingham steers

clear of such obvious gutter journalistic tricks.

There is one area, however, where he fails so totally that it would have been better if he'd not tried. The chapter "Having Babies" opens:

"From a distance, looking back from the late 1970s this preoccupation with having babies seems quaint, a bit old-fashioned. Why should a woman with a slim good figure, who liked clothes and liked to look good in them, be willing (much less appear to want) to spend her first four years of marriage being pregnant more than half the time?"

After several pages worriedly discussing the lack of the pill and the Kennedy clan's addiction to competitive procreation, he is struck with the afterthought that perhaps she liked children. He would have done well to talk to a few slim, well-dressed women (of the late 1970s) about this startling feminine phenomenon.

Mr. Birmingham's efforts to be sympathetic to the poor little rich girl have one result he couldn't have wanted. Instead of appearing as the tough ambitions wildly attractive cynosure of all the world, who only has to smile to bring modern kings running, she appears as a puppet used by men for a quality that she herself hardly recognises.

Maybe this is a true picture. Maybe she owes her fame entirely to contact with the Kennedy charisma. But it certainly takes the gilt off the gingerbread—without getting much closer to the gingerbread. In the end I couldn't resist the sexist belief that a woman writer would have a better chance of reaching the soft centre. Failing that, she could write up the Bouvier Kennedy Onassis life as a fine example of the death-throes of a male-dominated woman's world.

**BOOKS OF THE MONTH**

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## Fiction

**Eccentric spirits**

BY ISABEL QUIGLY

**Happy Endings** by Julian Fane. Hamish Hamilton, £5.25. 183 pages.**Survivors Beyond Babel** by Mark Ellis. Secker and Warburg, £4.50. 188 pages.

Julian Fane writes with light, exact distinction; with a memorable beauty, too. (Who, having read it, could forget his *Morning*?). The ten stories in *Happy Endings* show many aspects of a rich talent. He is particularly good at what you might call metaphor through objects. Something happens to things, reflecting a social or a moral change.

This happens in two of the stories, when houses and their settings are drastically altered, modernised, gadgeted, given seed-catalogue gardens in place of the ramshly places they had before.

The spirit of place is strong in whatever he writes, so when this spirit is slashed, with however well-meaning a weapon (cleanliness, convenience—but really, as we know, some destructive instinct inherent in modern life; a demon of rationality, suggesting "improvements"), things alter with horrid speed and reality: not just houses but landscapes and not just landscapes but the people in them. The spirit of eccentricity is strong as well and an encouraging number of the stories suggest that satisfaction may turn up in failure, artistic talent in nasty surroundings, and romance may flower in plainness and middle age.

Then there is description, which short stories, being short, must be wary of, yet Mr. Fane uses virtuosity and at some length. One story is nothing but a description of the kind of horrible hotel in which old ladies can go mad without anyone noticing; another that of a pet dog, a cairn. Few tests for the writer seem harder than six and nine pages on, respectively, hotel and cairn. Well, he passes them. Also there is a sense of people and attitudes, a kind of natural morality found in, broadly, behaviour and, more narrowly, personality. Few writers can conjure goodness, likeability, so warmly. Finally there is his sense of nature—of natural objects, the countryside, the English landscape; lovingly, familiarly treated. These stories are

among them. This boy—already

an unmarried father—is

besotted with America, with

Disneyland fantasies on the

downs. Nothing is solved by the

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Mark Ellis

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**Artist at large**

Ronald Searle, with an introduction by Henning Boch and an essay by Pierre Duhay. Andre Deutsch, £14.50, 234 pages

Ronald Searle pulled out of the British market in 1961 and settled in Paris to draw and paint only what he wanted to. The days of St. Trinian's were long over and the new intellectual Searle was already evident.

The results can be seen in this sumptuous volume. Pictures in pen-and-ink, watercolour, gouache and lithograph reveal a strange imagination that interprets reality from the point of view of someone who knows it only too well but has a secret knowledge of what lies behind it. The subjects vary from pure, or rather impure, documentary, as in the pictures from Hamburg St. Pauli, to mad

B. A. YOUNG

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## PROPERTY/LEISURE

### Where relief is needed

BY JOE RENNISON

IT IS now nearly five years since tax relief on mortgage repayments on second homes was renounced in the 1974 Finance Act. (People who had already bought were given a period of grace of six years before the relief was withdrawn.) This was probably fair enough at the time when there was very little money to go around. If you remember, it was at that dreadful time when the end of the world seemed very nigh, and daily one expected to see the shocking sight of building society managers walking the streets with holes in their shoes.

It is still probably fair enough, since there never has been a time since there seemed to have been more than enough money around to satisfy all the customers wanting their first home. But maybe there could be a measure of relief for second-home buyers and for a practical reason.

In most of the building society annual reports, published recently, they go out of their way to mention the fact that they have considerably increased the amount of money they are lending for home improvements. The realisation has finally sunk in that the housing stock is a national asset and to keep that stock in good

order is a good investment for the future.

So why not extend that facility to second home owners who are carrying out bona fide repairs and improvements?

Their property is also part of the national stock which will be available for future generations. And compared with total building society funds the amount loaned on second home repairs would be minute. The left might howl at it but since most of their leaders enjoy a second home they might see reason.

But as it may one of our larger national firms of estate agents hint at a revival on the purchase of such a property. A lot of interest is currently being shown in weekend country cottages in Wiltshire with its fast train services to London and convenient motorway links.

"We find that people whose home areas mostly in the London area are buying them not merely for rest and relaxation but as a real estate investment to provide a hedge against inflation," says Mr. Michael Bruges of Humber's Chippenham office.

He reports that many inquiries have been coming in concerning two typical cottages on his firm's books. One of them, No. 24 High Street, in the Cotswold village of Sherston, is a stone-built period property with two reception rooms, three

bedrooms and a walled garden, valued at £20,000.

The other, Old Change Cottage, in the hamlet of Kelways, near Chippenham, is also stone-built and it dates from the 17th Century. Here too, there are two reception rooms and three bedrooms, but the figure quoted is £27,500. Both cottages have been modernised.

The same Finance Act limited to £25,000 the size of mortgage on which tax relief can be claimed. It is time this was looked at again. Last year house prices increased by 26 per cent on average. That plus the smaller increases of the previous three years must mean that many houses are being priced out of the mortgage market.

This point is picked up by Geoffrey van Cutsem in Savills' look forward to 1979 report (more next week) in the section on country houses. As he puts it: A restraint in the market that could be removed, and one which is causing considerable bottle-necks in the price levels between about £40,000 and £70,000 is the £25,000 ceiling on borrowing on which interest is allowable against tax. This I believe, is something at which a future Government is bound to take a close look. Both political parties are committed to the 1974 Budget. Had it been indexed to the Retail Price

Index, the limit would now be £50,000. I believe that building societies will continue to attract sufficient funds by paying and charging appropriate interest rates, and without Government directives both borrowers and lenders would benefit by a return to a free market."

Renault's R18: clean and non-controversial



### Bland but useful

HAVING practically invented the hatchback, and made little else for the last ten years, Renault have dropped the tailgate in favour of the boot lid on their latest car, the R18. The reason is simple. They have not been getting their share of the three box (that is, bonnet, body and boot) saloon car market which is still overwhelmingly the most important.

In Britain, for example, hatchbacks account for 20 per cent of sales and estates 10 per cent whereas 70 per cent of buyers go for a saloon. Of late Renault have been doing very nicely with a 12 per cent slice of all hatchback sales in Britain and 10 per cent of estate cars but only a miserable 14 per cent of three box saloons. Their sole representative in this category has been the ageing R12. This month, along comes the R18.

Renault are confident the R18 will topple the R12 hatchback from its place as their UK market best seller. They are forecasting sales this year of 23,000 R18s against 19,000 R12s. To achieve these figures Renault are making a bid for the fleet market. This has become almost a private reserve of Ford; 75 per cent of their cars are bought by companies compared with only 25 per cent of Renaults.

The car, whose elegant nose Renault hope to push deeply into the fleet market trough, is perhaps the most ordinary model they have produced in years. Most Renaults have been unorthodox, even slightly eccentric. And bland it is. The R18 is light on character but heavy on those more important things like comfortable seats, ample interior space, a large boot, a good ride over all kinds of roads and low level of mechanical, wind and tyre noise at cruising speeds.

Renault say half the



Renault's R18: clean and non-controversial

Cortina owners they interviewed reckon the R18 is better looking.

Mechanically, it is very similar to the R12, which it will supersede in a year or two. The front wheels are driven by a front-and-aft mounted four-cylinder engine and the rear suspension is non-independent. It used to

### MOTORING

STUART MARSHALL

be said that company car fleet managers would never buy front-wheel drive, fearing service complications and costly repairs. Renault think the R18 will change the pattern for a variety of reasons, some financial, others practical. Of the latter, the most important is Ford's decision to go front-drive with the Fiesta. That, Renault feels, has made the whole idea respectable to those most cost-conscious of men, the fleet managers.

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There are two engines—a 1.4

litre, 64 horsepower development of the Renault 12's, and the light alloy 1.6 litre, 78 horsepower motor used in the R16 TX. The R18 TL and TTS, which have the 1.4 engine, come with a four-speed manual gearbox; so does the 1.6 litre TS. The top of the range GTS has a five-speed manual gearbox but both the TS and GTS can be had with Renault's own three-speed automatic at extra cost.

Prices range from £3,313 for the 1.6 TL, which Renault says as a private motorist's-cum-junior company rep's car, to £4,503 for the GTS automatic. This has as standard all the extras to which middle managers have become accustomed—electric front window, centralised door locks, tinted glass and headlight wash-wipe system. The pricing of the R18 is keen and even the basic model is well equipped. Rear fog lamp, trip speedometer, reclining front seats and childproof rear door locks are part of the package.

Last week I dipped briefly into the R18 range. A four-speed TS cruised quietly enough for the radio to be enjoyed at 80 mph-plus on the autoroute and sat down solidly on the curves of some rough minor roads. Unlike previous generation Renaults, the R18 does not roll extravagantly when cornered hard but its suspension deals just as shock-absorberingly with potholes.

Judging by the first 20 miles, this is a characteristic R18 owners will baffle in the coming weeks.

### CHESS

LEONARD BARDEN

THE ICL Premier at this year's Hastings congress proved to be one of the closest struggles for first place that this traditional event has seen in its long history. At the end the swish grandmaster Ulf Andersson ran out a comfortable winner, a point ahead of the field; but this looked far from likely in the earlier rounds.

From the British viewpoint, the result was encouraging. For various reasons none of our four grandmasters took part, but Speelman defied the tradition that the British champion always does badly at Hastings and finished only half a point short of a grandmaster score.

Mestel and Harston held their own in strong company, and Taubut made a respectable score in his first Premier. All this is a distinct improvement on the years when the British were huddled in a group at the bottom, and reflects our growing stature in international chess.

Final totals were Andersson (Sweden) 9½ out of 14, Csom (Hungary) 8½, Vasyukov and Kochiev (USSR) and Speelman (England) 8½, Christiansen and Lefn (U.S.) and Mestel (England) 8, Bilyasas (Canada) and Hartston (England) 7½, Taubut (England) 5½, Botterill (Wales) and Suba (Romania) 5, Peters (U.S.) 4, Balashan (Israel) 3.

Andersson and Kochiev, the only two unbeaten players, conserved energy with quick draws and waited for the occasional out-of-form opponent. Anders-

son's win in Round 12 virtually decided the tournament. His strategy was unpretentious but effective: he simply piled up on a weak pawn while his opponent sought non-existent counterplay on the other wing.

White: P. Bilyasas (Canada). Black: U. Andersson (Sweden). Opening: Neo-Grünfeld Defence (ICL Premier, Hastings, 1978-1979).

1. N-KB3, N-KB3; 2. P-KN3, P-KN3; 3. B-N2, B-N2; 4. 0-0, 0-0; 5. P-B4, P-B3; 6. N-B3, P-Q4; 7. P-K, P-P; 8. P-Q4, N-K5; 9. B-K3?

This is already a mistake, since White is saddled with a backward pawn on the open file.

9. . . N-N; 10. P-N, N-B3; 11. Q-B1, B-N5; 12. B-B4, R-B1; 13. B-K, K-B; 14. Q-B4, B-N; 15. Q-K3, P-K3.

White has aimed for B v N but Black has seen deeper. With three pairs of minor pieces exchanged, White lacks the manpower to start a successful K-side attack and can be forced into loss or passive defence of the weak QBB pawn.

16. KR-O1, Q-B3; 17. Q-K3, R-B2; 18. R-Q3, KR-B1; 19. P-N4, N-B4; 20. Q-N3, Q-K2; 21. R-KB1.

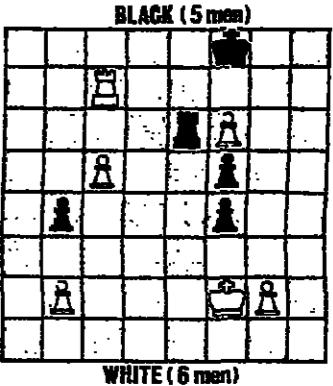
If White tries 21 P-N5, intending Q-R4-B and R-R8, Black defends easily by 21 . . . K-N1; 22. Q-R4, P-KR4.

21. . . N-B5; 22. P-B4, Q-Q3 (to neutralise P-B5); 23. P-K4, P-P; 24. BxP, N-N7; 25. R-B3, N-R5; 26. R-B1, P-QN4; 27. R-Q3, P-N5 (winning a pawn and the game); 28. P-B4, R-P; 29. R-RxR; 30. Q-K3, N-N7; 31. R-QxN. If 31 R-Q2, R-B8 ch and N-B5 wins more material.

England meets West Germany this weekend at Elvetham Hall, Hartley Wintney, Hampshire, in the key match sponsored by Lansing Bagnall, to decide who qualifies for the European team finals. It should be close and

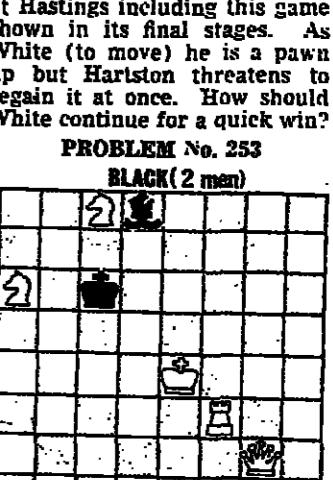
interesting. Spectators are welcome—the nearest station is Fleet, and play is 2-7 today, 11-4 tomorrow.

POSITION NO. 253



Speelman v Harston, ICL International, Hastings 1978-1979. The British champion, Jonathan Speelman, had several good wins at Hastings including this game shown in its final stages. As White (to move) he is a pawn up but Harston threatens to regain it at once. How should White continue for a quick win?

PROBLEM No. 253



White mates in three moves, against any defence (by A. Mossall, 1973). Solutions Page 16

With East-West vulnerable, South dealt and bid two clubs, North said two diamonds, and replied two no trumps to the opener's rebid of two hearts. When South showed his second suit by bidding three clubs, North gave primary preference with three hearts, and South went four.

West's lead of the diamond King was ruffed in hand, and declarer cashed Ace, King of clubs. When a third club was played, West ruffed with the heart nine, dummy throwing a spade. West switched to the spade eight, and East's nine was allowed to win. The diamond Ace was ruffed in hand, and a fourth club was led. West ruffed with the trump Knave, and led another spade to the ten, Knave, and Ace. Declarer now drew trumps in two rounds, discarded dummy's spade Queen on the established club, and ruffed his last spade in dummy!

In the other room (this was a team match) West showed the patience which his opposite number lacked. Instead of ruffing the third club, he threw a spade, and the declarer without any thought of danger returned to hand by ruffing another diamond, and led another club. On this West discarded his last spade in dummy!

West led the diamond two, and East cashed Ace and King, returning the 10 of hearts to the Ace. In an effort to get a count on the defenders' hands, the declarer cashed his two heart honours.

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### GARDENING

ARTHUR HELLIER

IT IS UNLIKELY that many of my readers have ever heard of limestone pavement and yet gardeners have done more than any other section of the community to speed the destruction of this scarce and important geological formation. If for "limestone pavement" I substitute "water worn limestone" every gardener will know exactly what I am writing about for this is the most prestigious of all stone used for rock garden construction. It is so intricate in its markings, so beautiful in colour and patina and above all so congenial to all those rock plants, and they are very numerous, that thrive in alkaline conditions, that the demand for it constantly threatens to outstrip the supply.

The story really begins early this century when the cultivation of rock and alpine plants suddenly became fashionable.

Almost immediately a new branch of garden construction grew up complete with its own methods, prejudices and mystique. Rock gardens, from being more or less random piles of stone scattered over banks or mounds of soil, suddenly became works of art to be constructed according to "natural" principles.

Reginald Farrer, high priest of the new branch of horticulture, has no doubts about the matter. All limestone, he held, was unparalleled for rock plants but by far the best of its many forms was the wonderful weathered rock of the Craven Highlands, North Wales, Derbyshire and Westmorland. "It forms naturally into flutings and ribbons" he wrote in his classic, "The English Flower Garden" . . . enhancing with lights and shadows the tender grey-whiteness of the stone itself . . . leonine and stark in its moulded forms, which have the rare gift of so obvious a solidarity that block fits to block like the sections of a jigsaw puzzle, so that the merest child at work with these could hardly help compounding, without thought or effort, a

For really there is very little limestone pavement in Britain and what there is is confined to a few localities and is fast disappearing from them. It is not only important geologically and because it is a beautiful feature of its own environment but also because it supports a distinctive

flora and some of the plants are rare. They survive in the deep fissures between the rocks because they are safe from grazing animals and have a peculiarly sheltered and moist microclimate of their own. Among them are the very rare rigid buckler fern (*Dryopteris villaris*), the green spleenwort (*Asplenium viride*), the dark red helleborine (*Epipactis atrorubens*) and the angular Solomon's Seal (*Polygonatum angustifolium*) as well as, rather surprisingly, the lily-of-the-valley which in Britain is scarce and scattered rather than genuinely rare and is usually found in dry woodlands.

The removal of surface stone, such as limestone pavement, legally constitutes "development" and so requires planning permission. Since all those local authorities concerned are opposed to any further depredation of limestone pavement it might appear that this protection is sufficient. Unfortunately it is not, since it may take months for an Enforcement Order to be issued, this usually leads to an appeal and meanwhile no one

can stop the contractors continuing with their work.

So Dr. Geoffrey Halliday of the Department of Biological Science, University of Lancaster, together with many others who are concerned about this matter, think it essential that Parliament should pass an amendment to the present act making it possible to issue Limestone Pavement Preservation Orders exactly comparable to the Tree Preservation Orders by which local authorities can act immediately to prevent irreparable damage to woodlands and individual trees. There would still be the right of appeal but, to use Dr. Halliday's own words, all the relevant matters could then be discussed dispassionately subsequent to the Order and not, as at present, to the deafening accompaniment of bulldozers tearing the site to pieces.

An appropriate amendment has been drafted and is now before Parliament. It is to be hoped that it will receive sympathetic support from all parts of the house despite the more dramatic distractions of these troubled weeks.

INTERVIEW WITH LEONARD BARDEN

THE ICL Premier at this year's Hastings congress proved to be one of the closest struggles for first place that this traditional event has seen in its long history. At the end the swish grandmaster Ulf Andersson ran out a comfortable winner, a point ahead of the field; but this looked far from likely in the earlier rounds.

From the British viewpoint, the result was encouraging. For various reasons none of our four grandmasters took part, but Speelman defied the tradition that the British champion always does badly at Hastings and finished only half a point short of a grandmaster score.

Mestel and Harston held their own in strong company, and Taubut made a respectable score in his first Premier. All this is a distinct improvement on the years when the British were huddled in a group at the bottom, and reflects our growing stature in international chess.

Final totals were Andersson (Sweden) 9½ out of 14, Csom (Hungary) 8½, Vasyukov and Kochiev (USSR) and Speelman (England) 8½, Christiansen and Lefn (U.S.) and Mestel (England) 8, Bilyasas (Canada) and Hartston (England) 7½, Taubut (England) 5½, Botterill (Wales) and Suba (Romania) 5, Peters (U.S.) 4, Balashan (Israel) 3.

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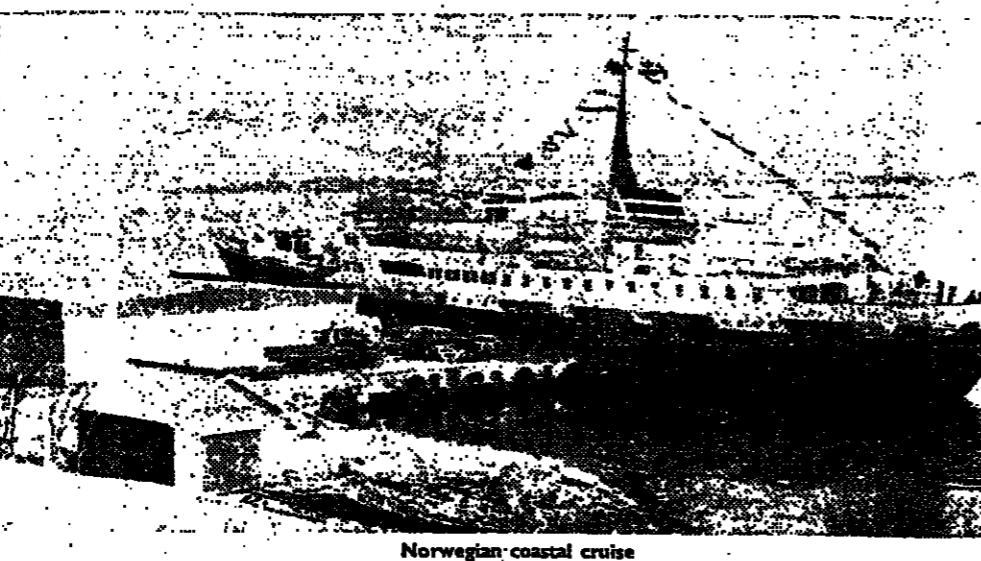
## TRAVEL

## All at sea

BY SYLVIE NICKELS

IT IS a long time now since cruising was associated almost exclusively with well-heeled escapees from less to more fortunate winter climates. The very nature of the range of facilities prevents it from being cheap, but, providing you want all that is offered, you get a lot for your money. In any case, there is usually an enormous price range on any given cruise, entirely dependent on the position and amenities of the cabin chosen, and the relevance of these is very much a question of personal taste (and pocket). Minimum costs start at about £15 per day and can easily go well into three figures for the luxury-minded; a realistic average is from £30-£40. In most cases, this does not include shore excursions, but it does include a very substantial full board, a varied — even hectic — entertainments programme and, of course, a lot of nautical mileage.

An obvious advantage of summer cruising is that you don't have to travel so far to find a hotter sun, and your geographical limitations are much reduced. You can travel the Norwegian coastal route to the North Cape in winter, for



Norwegian coastal cruise

example, but you will miss that major attraction, the midnight sun, and much of that glorious scenery will be but dimly observed.

And, in Alaska, the cruise routes not surprisingly clamp down altogether. Cost of the Fred Olsen-Bergen Line's North Cape round voyage at the height of the season this year is around £500-£540 ex-Newcastle by sea, or £480 ex-London by air; the 2,500-mile round trip ex-Bergen lasts 11 days, calling at 35 ports. There are also cruises to Spitzbergen.

Holland America Line's Alaska venture starts every Saturday out of Vancouver from mid-May to late September, penetrating some of the

most startling and least visited coastal scenery in the world. Fares for the seven-day cruise ex-Vancouver are £337-£625 but, having gone so far, many will take advantage of a whole range of combined cruise/tours of up to 26 days, featuring the Canadian Rockies, gold rush country and so on.

In contrast with these from just about every point of view are HAL's seven-day Bermuda and Nassau/Bermuda cruises out of New York, which can also be coupled with a variety of land arrangements. Average costs are about £50 lower than the Alaska cruises and, in spring and autumn, a special feature is made of on-board entertainment with musical themes ranging from country and western to jazz.

More people, however, will be considering some of the popular circuits nearer home: the Med. and its ramifications, and the Atlantic Isles. P and O have 28 cruises out of Southampton between April and mid-December, most of them dedicated to these areas and lasting from 7-16 days. Arrangements are very flexible and those in a hurry can join part of the itinerary by flying one way in a selection of 6-10 day fly/cruises. Fares for two weeks of 10 or 11-day cruises out of Miami to South American and Caribbean island ports, built into 17-day arrangements ex-London.

Comard's QE2 heads for the North Cape and the midnight sun from Southampton on July 7, after returning from an unusual cruise itinerary combining New York, Nove Scotia and Bermuda. The latter is an 18-day voyage out from and back to Southampton: £995-£1,740. Other QE2 summer offers are the Atlantic Isles and the Caribbean.

This last is more usually thought of as a winter escape destination, but has its summer followers too. Costa Line, which has been adding its own Italian flavour to the area for a long time, includes a summer series of 10- or 11-day cruises out of Miami to South American and Caribbean island ports, built into 17-day arrangements ex-London.

Address: Fred Olsen-Bergen Line, 225 Regent Street, London W1R 8AP; Holland America, 58 Haymarket, London SW1 4RZ; P and O Cruises and Bi-Discovery, Cunard Building, Liverpool Street, London EC2A 7DT; CTC Lines, 1-3 Lower Regent Street, London SW1Y 4NN; Comard, 8 Berkeley Street, London W1X 8RN; Costa, 16 Grosvenor Gardens, London SW1W 8BT; and Scott, 3 Cathedral Place, London EC4M 7DT.

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Sauze d'Or (It.) 45-48 cm  
Les Arcs (Fr.) 100-210 cm  
Isere (Fr.) 170-220 cm  
Flaine (Fr.) 90-120 cm  
Davos (Sw.) 55-130 cm  
St. Moritz (Sw.) 45-100 cm  
Wengen (Sw.) 48-100 cm  
Kitzbuehel (Aus.) 30-70 cm  
Niederau (Aus.) 45-80 cm  
St. Anton (Aus.) 55-130 cm  
Seefeld (Aus.) 50-65 cm  
New snow on icy base.  
Good. Crust on exposed runs.  
Excellent conditions.  
Good, particularly above 2,000 m.  
Excellent powder snow.  
New snow on hard base.  
Good skiing.  
Excellent new snow.  
Powder on north slopes.  
New snow on hard base.  
New snow on hard base.  
Worn patches on high runs.

**THE U.S.**  
Sugarbush (Vt.) 12-32 ins  
Stowe (Vt.) 14-34 ins  
Hunter (NY) 35-75 ins  
Park City (Utah) 53-75 ins  
Aspen (Col.) 30-101 ins  
Squaw Valley (Calif.) 35-70 ins  
Figures indicate basic snow depths at top and bottom stations.

**SCOTLAND**  
Cairngorm: New snow, hard base. Access, light snow.  
Glenlivet: New snow, hard base. Access, light snow.  
Glencoe: Hard pack high, crust lower.  
Loch: Hard packed with icy patches.

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## HOW TO SPEND IT

by Christine Burton



Anne Griffith of The Singing Tree, photographed by Corinne Cockrell

## The Singing Tree

I HAVE rarely spent such a happy hour as I did recently at The Singing Tree, a lovely shop at 69 New King's Road, London, SW6.

Anne Griffith and Thalia Sanders, who started up and run The Singing Tree, say that they sell dolls houses and their accessories, but this bald statement covers an amazing multiplicity of exquisitely scaled-down objects.

Anne Griffith had to wait until she was 13 to be next in line for her family dolls house. It was a long wait, and she has been firmly hooked ever since. She has been collecting old houses and their accoutrements for ten years: Thalia Sanders specialises more in modern ones.

So, as two amateurs who had heard of each other's interests, they came together three years ago.

They began to hear about people whose hobbies were making miniature versions of everyday things, until now they have over eighty craftsmen making pieces for them.

Many of these craftsmen—already working in a particular medium—came to them for advice and to see whether there was a gap in the market for their talents. In this way, for instance, someone working in brass was asked to make scales, chandeliers and coal scuttles.

Michael Ayrton, well-known in the world of silhouettes, makes minute copies of his own collection—one of these sells for £3.20.

The collection of glassware has to be seen to be believed. It ranges from a milk bottle (25p) and bottles of wine (rose is 90p), through the various sorts of drinking glasses (champagne

glass 45p), to twisted candlesticks (with candles 30p a pair) and a three-branched chandelier (25.20).

There are kitchen utensils (wooden butter pats 60p a pair, grater 60p), and tools for the workshop (planes £1.30, screwdriver 60p), as well as for the utility room (sleeve press £1.90, four clothes pegs 70p and three coat hangers for 45p).

Since the kitchens of these large houses are essentially working kitchens, we must not forget the food. There are over 50 different types ranging from a marrow (45p), a Christmas pudding (45p), to a crown roast with paper frills (£1.40).

Also available is a delightful range of printed wallpapers (40p for a 16 in x 24 in sheet) and 1½ in deep friezes of Kate Greenaway figures. Ideal for miniature nurseries!

The actual houses can be bought as well, of course—I saw a beautiful Georgian three-storey house for £85. A two-storey shop is £32.40 or you can buy a glass-fronted wooden box in which you can arrange a room setting (£35).

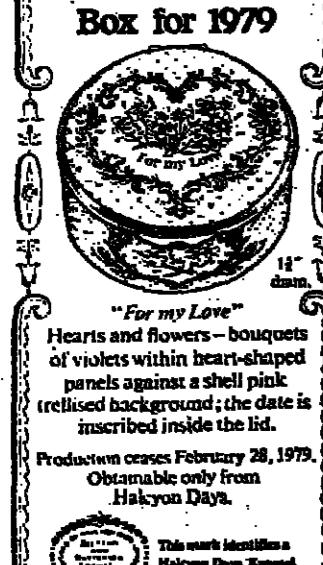
Alternatively, you could attempt to build your own house. On sale are period sash windows that open, staircase spindles, shutters, door knobs, hinges, door knobs and knockers. Definitely do-it-yourself for the nimble-fingered.

The scale used virtually throughout is 1 in to 1 ft and this applies particularly to the dolls themselves. The selection here changes constantly as some are sold and new ones arrive but on the day of my visit I saw a French maid, ladies in their ballgown finery, graceful grey-haired grannies and little girls who looked as if they had just run in from spinning their tops and wheeling their hoops.

Anne Griffith reckons that most of her customers are in their thirties and who, having been deprived of high-quality toys in their wartime childhoods, appreciate the craftsmanship that has gone into each article, especially in comparison with the mass-produced plastics which seem to be the only alternative nowadays.

The Singing Tree is open from 10 to 5.30, Monday to Friday, 10 to 1 on Saturdays.

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The south of France is one of the most popular areas for the British to visit on motororing holidays. Although reachable in a long day's hard driving such a trip can be expensive in tolls on France's autoroutes. A pleasanter way to make the journey is by the quieter country roads.

**ADDRESSES**  
B and I Line, 155 Regent Street, London W1.  
Britany Ferries, Millbay Docks, Plymouth, Devon, PL1 8EE.  
DFDS, Meriner House, Papey Street, London EC3N 4BX.  
Hoverlloyd, International Hoverport, Westgate, CT16 5HS.  
Norfolk Line, Astor House, Southgate Road, Great Yarmouth.  
North Sea Ferries, King George Dock, Harton Road, Harton, NE12 1SA.  
Swans, 18 Westminster Palace Gardens, Artillery Row, London SW1.  
Olly Line, Sheerness Docks, Sheerness, Kent, ME12 1SA.  
Ferryline, 100 London Wall, EC2Y 8AS.  
P&O Ferries, PO Box 4, Matthew's Quay, Aberdeen.  
P&O Ferries, 15/14 Queen Street, London W1X 8BZ.  
Sealink/Seaspeed, Car Ferry Centre, 52 Grosvenor Gardens, London SW1W 0AG.  
Townsend Thoresen, 127 Regent Street, London W1R 0LS.

If you must travel in the peak period because, like me, you have children of school age who are reluctant to take time off because of approaching examinations, then consider some of the countries which offer less crowded roads when you get there. The West of Ireland is still a delight to drive in and Scandinavia too has superbly maintained highways with, to my mind, relatively light traffic on them, particularly further north.

One should not forget, of course, that taking your car on holiday does not necessarily mean going abroad. In Britain around two-thirds of domestic holidaymakers make their vacation trip in the family car. Britain's great advantage is that it is now considerably ahead in the provision of tourist information. On that some continental countries had the wealth of well laid out information that is offered by some of the British regional tourist boards. Over the years the boards have increasingly taken over the work of information providing and the system clearly works very well—better, if I may knock an established travel myth than the Syndicats d'Initiatives in France.

The ferry companies themselves, however, are getting much better at displaying information. Such is the competitive nature of the business these days that they have all been forced to jolly up the brochures and introduce a greater degree of clarity into the timetables. Most companies now offer fairly detailed advice to motorists.

The rush to provide services

is in answer to considerable demand and this means that at certain times of the year, and on certain routes, it may be best to book early. The ferry companies always insist that they have to charge so much because the holiday traffic peaks at certain times and the ships have ample space at others. In consumer terms this simply means that it is best to have a confirmed booking for weekends in August. It also means that some ports are best avoided at these peak times.

Dover may be splendidly organised much of the time, but it is no place in August to arrive say four hours before departure and hope to drift into town for a leisurely lunch.

But the other ports often

have less frequency of traffic, making the need for booking even greater.

By comparison, today's trips

hold less drama, but still the motororing tour is something of a plunge into the unknown. And it still means happy evenings of

preparation, surrounded by maps, timetables, brochures and today, a pocket calculator.

Perhaps it is the calculator

that makes today's prices seem

all the more alarming. In no

time at all it clocks up the fact

that a return short-sea crossing

in peak season in a medium-

sized car carrying two adults

and two children costs only a

few pounds less than £100. A

few years ago it would have

taken my mind an hour or so to

work that out. Now the answer

is there in seconds.

The actual cost of travel has

become such a significant

feature of any holiday budget

these days that it pays to give

particular attention to routes

chosen, and even to the days

of the week selected for departure

and return. Fortunately the

number of ferry services operat-

ing around the UK allows for

considerable flexibility in plan-

ning, particularly as it is pos-

sible to leave Britain by one

route and return by another.

In terms of time at sea the

longer routes are increasingly

through vintage buildings.

The longer-haul ships often

have a sort of cruise mood to

them, with well-run relaxing

restaurants and pleasant bars

meant for gentle time-wasting

rather than the frantic duty-free

drinking which is sometimes

the case on the short routes.

Planning a route, once across

the Channel, is great fun, but

motorists should avoid the

obvious. The autoroutes may

look attractive on paper, and

lead to high speeds, but there is

so much to be seen on the main

roads that it is worth dawdling

a little.

In much of Europe it is easy

to find quite good secondary

roads, usually the old main

roads, which do not cut down

your timings too much, except

thanks to the temptations of

sightseeing en route. This is

not necessarily the case in Italy,

however. Although the tolls on

the autoroute have recently

gone up again there is still little

alternative for any motorist who

wishes to make reasonably

speedy progress through the

country.

As far as accommodation

during the journey is con-

cerned, in France at least I

think you do not go very far

wrong with Michelin. That com-

pany's hotel and restaurant

guides to other countries are

also useful but sometimes seem

to lack the edge that they have

in their own countries.

There are companies which

offer pre-packed motororing

tours, which give the traveller firm

bookings at hotels, but the

numbers have reduced somewhat

over the years. Alternatively

you can make reservations from

the UK before you go. Grand

Metropolitan Hotels and Trust

Houses, Forts both have hotels

in Paris, for example, and most

perhaps one-third more for

petrol than in the UK.

**Planning and pricing**

IT MADE us late for dinner that

book. We were in a small hotel in Galway, preparing ourselves for another assault on the local oysters, one of the hidden joys of off-season travel. When we stumbled across a slim volume

describing a European journey in a British light car some 30 years ago. It was a fascinating work not least because the "I" of the first few chapters suddenly became "we," suggesting that ours was the expurgated version. But above all the pleasure lay in the photographs. There was the little car being loaded by crane at Dover, standing on cobbles in Paris, and parked perilously on a packed mountain pass. The text was a mixture of pleasure and surprise. Costs fall with number of people.

• Things in favour: Freedom of action, such as following whim or weather. Ability to reach areas difficult or impossible to find with public transport. Ability to carry large quantities of baggage/toys. Costs fall with number of people.

• Things against: Administratively more difficult than a package tour. Potentially time and temper consuming. Costs can be higher than expected. Driving is more dangerous outside Britain.

Although prices start to rise again once an overnight stay is involved on any ship, the long haul voyages, say to Scandinavia, with DFDS or Tor Line, or down to Santander with Brittany Ferries, are still well worth examining. In making assessments of cost it is easy to forget the en route expenses of motorizing when deciding between perhaps driving to San Sebastian, or taking the ferry to Santander. This is particularly true if you have a family. When my children were much younger I can recall agonising nights in small French hotels when their running up and down the wood-floored rooms in their holiday excitement echoed

through vintage buildings.

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have a sort of cruise mood to

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a little.

In much of Europe it is easy

## TAKING YOUR CAR ON HOLIDAY II

Over the years facilities for booking self-catering accommodation in Europe have grown. This year, however, the demand is likely to be very high.

### A place to stay

ONE OF the more pleasant developments in travel over recent years has been the expansion of facilities for self-catering, in the form of villas, camping and caravanning. Whereas scarcely a decade ago the motorist looking for self-catering accommodation did so very much at his own risk, villa rental has become a much more sophisticated business and camping sites are much simpler to explore by post than once they were.

However, it is still true that the most centrally organised of the villa operations tend to be those which have their activities centred the greatest distance away from Britain's shores. The Algarve, Southern Spain and Greece are all a considerable drive, even with the help of the longer haul ferries. They are certainly beyond the staying power of my daughters as far as being passengers is concerned. However, there is an increasing awareness of the British market in France.

Spanish and Portuguese villas tend to have been built recently and specifically for holiday use. French cottages and apartments are usually considerably older and are simply houses that have been put out to retirement. This usually gives French property the edge on charm. The houses have an intimate, lived-in, feel which is often absent from more southerly establishments. However, the margin for error is clearly greater, so do not be surprised by the occasional mouse or damp patch.

A browse through the French villa brochures is a dangerous pastime. Some of the offerings are almost too tempting to resist.

These French rural delights? Probably the biggest selection can be found in the lists of the Gites de France, the organisation which gathers together thousands of independent country property owners to let accommodation. In Britain you can find a useful list of the Gites in the book French Farm and Village Holiday Guide, published by Duo Publishing (1, Hermes Street, London N1) and available at bookshops, price £2.35.

A selection of these Gites can also be found in the brochures of the French Travel Service (Hudson's Place, Victoria Station, London SW1V 1JX). The FTS has some 150 French properties reserved for its use and you should therefore be

able to get a rapid response without the chore of writing to France. The prices for four adults, two weeks, including Channel crossing, start at £182 in the low season and £253 in high summer.

Another exhaustive list is to be found in the bulky brochure of Swiss Chalets Inter Home No. 1, it does not just serve Switzerland, but the whole of Europe, including the UK. If you write seeking a brochure (10, Shear Road, Richmond, Surrey TW9 1AE), specify whether you want the seaside towns — France, Spain, Belgium, Italy, the UK, etc. or the alpine areas. The brochures are big, but not goss.

Two other companies of which I have heard good reports, but of which I have no personal experience, are Vacances Franco-Britanniques (15, Rodney Road, Cheltenham, Glos.) and Vacances de Campagne (Box Cottage, Sutton, Nr. Pulborough, W. Sussex).

There are more than 250 villas in the brochure of Belvillas (8, Barclay Road, Croydon CR0 1JN). Again many of them are in Brittany, but there is also a wide selection on other parts of the Atlantic and Basque coasts, Languedoc-Roussillon, the Alps and the Côte d'Azur. As with most of the villa companies, Belvillas will also look after ferry reservations.

Although there are many small family companies in the villa business, there are also one or two giants. American Express went into the villa business in 1977 and has been pleased with the results that it has considerably expanded its programme this year. American Express (6, Haymarket, London SW1Y 4BS and branches), has a series of brochures on France, Italy and Portugal, so specify the country concerned if you ask for further information.

Not quite villas, and yet not camping, are the holiday chalets offered by some companies. Townsend Thoresen (1, Camden Crescent, Dover, Kent) has its own holiday village of chalets at De Haas, the Belgian coast. It is inexpensive and fun, particularly for kids. Some superb woodland chalets can be found in the Swedish brochures of Tor Line (34, Panton Street, Haymarket, London, SW1).

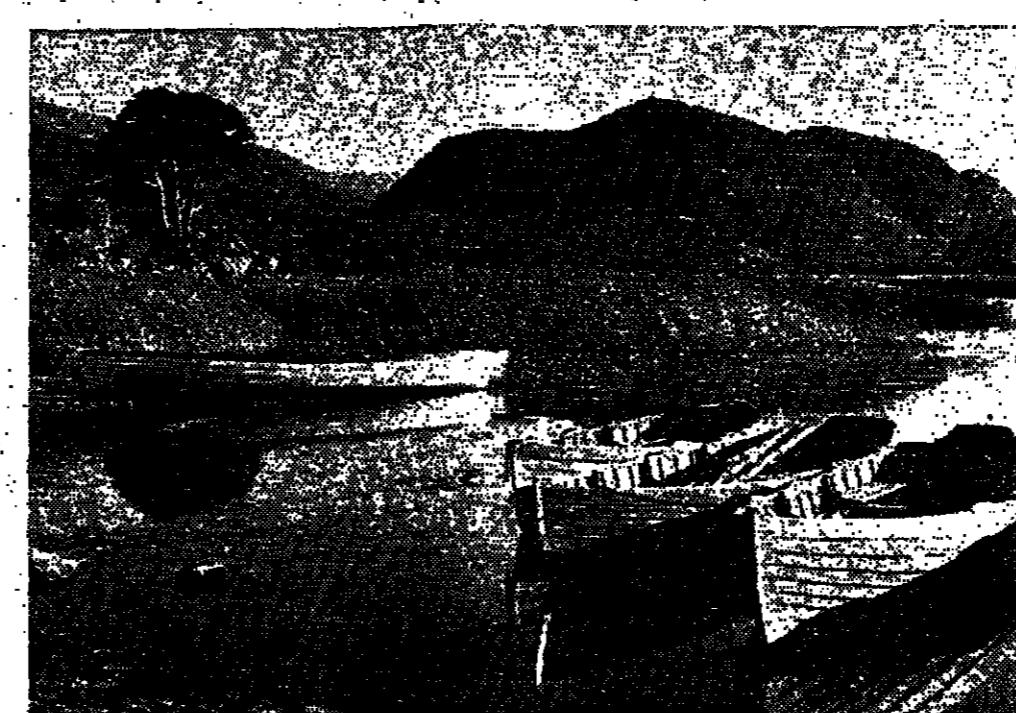
One holiday which always seems to get rave notices is camping, with rented tents already set up and fully equipped awaiting the motorist and family. The company which really got this business going was Canvas Holidays (Bull Plain, Herford SG14 1DV). This is one of the friendliest operations in the holiday business and one of the most helpful. Some friends of mine recently booked a holiday with Canvas and then found they had in fact booked a month earlier than they had intended. No problem said Canvas to the blushing customers, and re-arranged the whole thing.

But these days Canvas has serious competition. Eurocamp (82, King Street, Knutsford, Cheshire) has a very informative and comprehensive brochure giving details of 19 sites and around 500 tents which it will have on offer.

Freshfields (441, Oxford Street, London W1A 1BH) is another camping site company which is making a great deal of effort in the field, and clearly growing fast. If you recognise the address, you're right — it is a subsidiary of Butlins.

All in all, the range of accommodation for any motorist seeking self-catering properties these days is huge.

Some of the villa company brochures contain booking conditions which, at first glance, seem onerous. One, for example, will not let you cancel three months before departure without loss of all monies paid. Read the booking conditions carefully and if you are worried, don't book. Remember, however, that villa owners often seek high guaranteed income from the agencies so villa tour operators do not always have the flexibility that hotel operators do. If the villa is under the company still has to pay.



The Irish west

Driving in a foreign country can be fun — but sometimes there can be problems. It is best to be prepared.

### Perils and pitfalls

IT IS not only dogs and cats that grow like their owners. Family cars are mirrors of family personalities. My vehicle of the moment is, for example, not entirely reliable. It tries very hard to please, but it is a disorganized sort of car.

Given half a chance it will spend whole weekends un-washed and, to be honest, it is not as fit as it should be.

Taking it on holiday, therefore, is something of an adventure. But I've met some very helpful garage hands, and it is quite fun to be thrown into the nearest coffee shop or bar awaiting a repair.

It is odd how all the travel brochures, and even the travel pages, laud the glorious freedom of motoring holidays and yet post-holiday conversations tend to include a hilarious story or two about finding that parking space in Nice, having the car taken apart by customs men at the Jugoslaw-Greek border, and getting that flat tyre in central Barcelona.

Over the years I've had

bearings go in Italy, windows smashed by thieves in France, a wheel (newly attached) come off in Ireland. I've been rammed by Mayoral Rolls in Cernarvon and by rhinoceros in Kenya. Chewing gum once fixed a carburettor in Normandy and a wire coat hanger an exhaust pipe in Sweden. Although once booked for doing a U-turn in Massachusetts most incidents have been sorted out without the aid of the law, although the afternoon that bus went over the ravine just ahead of me on a road in northern Uttar Pradesh did, eventually, provoke the military.

It was in the course of last year when an ageing French hippy backed into me just outside Cannes and has ever since claimed that I drove into him that I learned at last the wisdom of preparing for such incidents in advance. In much of Europe it is common practice in the case of accident to fill in an accident report form on the spot and to get both drivers to agree as much as possible about the incident. It is also helpful to have a camera handy so that the positions of the vehicles can be photographed, to cut out all argument. Familiarise yourself with the accident report form before you go.

You should also, of course, find out exactly where you stand in terms of insurance. Since Britain entered the Common Market, all British insurance policies have been required to give basic protection to the British motorist when he is within the EEC. This basic, however, varies from country to country, and you would be extremely unwise to rely upon it even if you only have third party fire and theft cover in the UK. Green Cards are still the norm, and should cost you £5-10 (for a small family car) upwards. Such insurance is essential for Spain, and should include ball-bond cover.

All in all, the range of accommodation for any motorist seeking self-catering properties these days is huge.

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You can get car recovery cover from the motoring organisations or from private insurers such as Europ Assistance. Again, such cover is not a legal requirement but wise. If you are involved in a serious accident or have a serious mechanical breakdown, the country in which you are driving may consider that you have imported the car and require you to pay duty. The

only way to avoid this is to export the wreckage back to Britain.

As far as health insurance is concerned there is now a wider

of schemes available and all

need studying closely.

The motoring holidaymaker is less

interested in cover for loss of

deposits than the package

tourists, but much more

interested in baggage cover,

since the motorist has more

room and therefore probably

more luggage. The motorist may

also be carrying more money

— although in these days of credit

cards, the Euro-cheque system

and refundable travel cheques

this should not be the case.

Motorists in Europe should

get the leaflets SA 28 and SA 30

on European health cover from

their local Health and Social

Security Office. This details the

reciprocal treatment given to

British residents in other EEC

countries. Again the facilities

and paperwork vary.

Even if you are taking out

private health insurance, which

you should, details of the

reciprocal system and the necessary

identification papers are impor-

tant. It is just possible that

one member of the party con-

tract's a serious disease or has

a serious accident which poten-

tially could exhaust even quite

good cover. In some European

countries, like Britain perhaps,

if you have something seriously

wrong you are as well off under

the wing of the state as pri-

vately. It is only when you

have something minor, like a

broken leg or hernia, that

things start getting ragged.

It is also essential that all

the adults in the group are

familiar with the papers and

that even the children know

where they are kept.

All this may sound very

alarming. As we all know,

most holidays go smoothly enough

without recourse to law,

hospital or garage. It is, how-

ever, best to be prepared. A

phrase book may sound a bit

gauche but can be useful, par-

ticularly one which has detailed

menu lists. Berlitz does, a

chubby (the book, not the

reader) European menu reader

and you may find copies of a

Collins series of menu readers

for individual countries.



Get hold of our brochure, then compare the prices. In most cases you won't find a cheaper way to take your car to France than with P&O Normandy Ferries.

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I'd like to know about the cheap, comfortable way to France. Please send me your free full colour brochure. Send to P&O Normandy Ferries, Box 2, Feltham, Middlesex TW14. Telephone: 0703 34141.

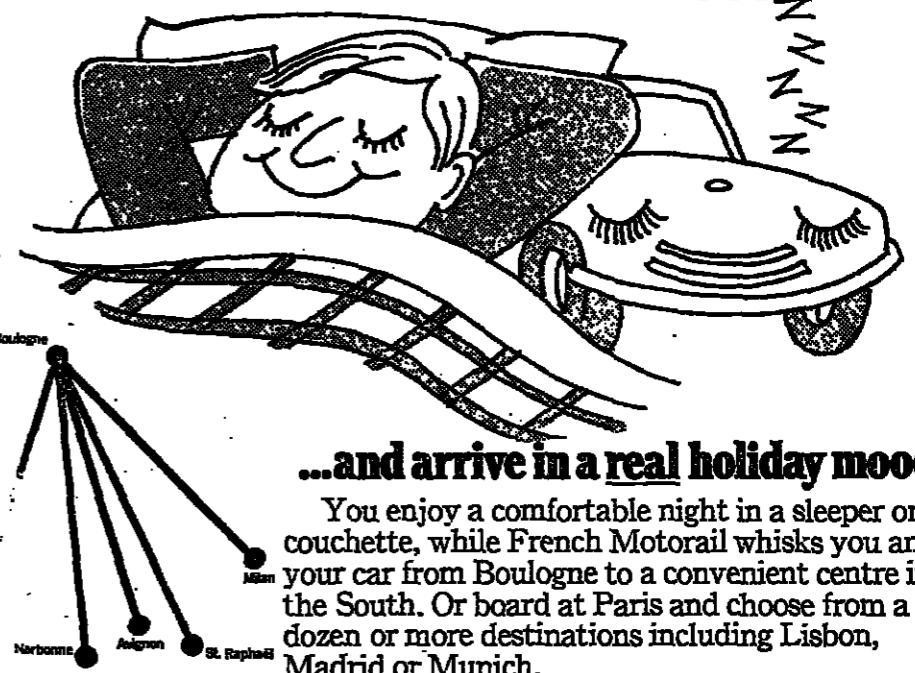
Name \_\_\_\_\_

Address \_\_\_\_\_

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## Take a sleeping car to the sun...



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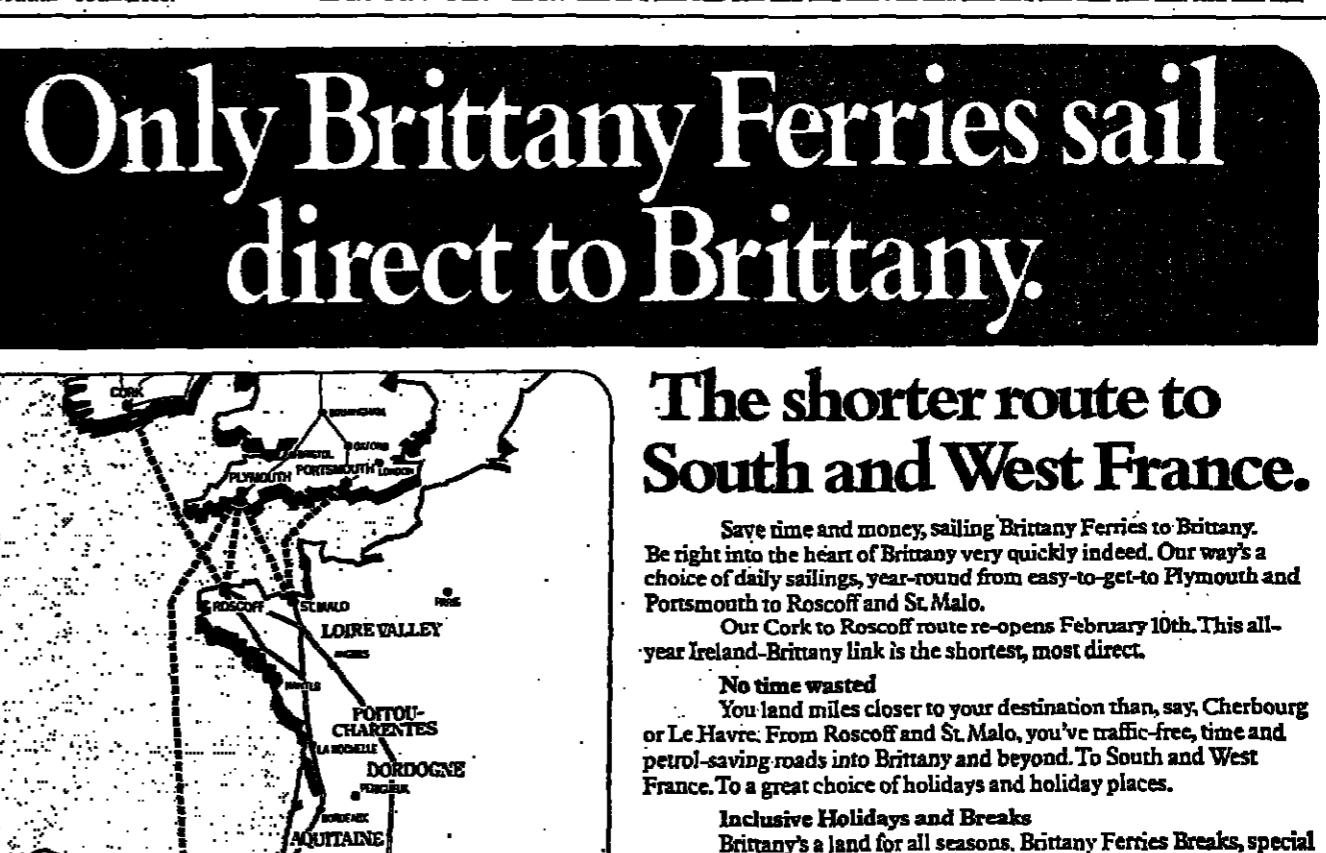
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## ARTS



Ann Howard and Geoffrey Pogson

## Ann Howard's Carmen

Ann Howard, physically, dramatically, and vocally the most striking of the English Carnets, has returned to the English National production. I admire Miss Howard's performance as much, indeed, as any I have seen: for it is a combination of physical allure, frankness of temperament, wit of utterance, and the revelation of an underlying, unflinching toughness of soul, she conveys and conjoins the important qualities of a role very seldom encompassed to the full. She knows how best to invest the natural assets of a tall, statuesque figure, and features not only provocatively handsome in their dark, clean cut, but alert to suggestions of a sensuous, mocking amusement: by never setting them up in exaggerated display of the character's untamed sexuality.

The easy naturalness of this Carmen was amply remarked upon when the production was first seen, nearly nine years ago. The passage of time has deepened its suggestive powers, and

enriched and mellowed, without dulling, the very individual colour and flavour of the voice, smoky, spiky, and purple all at once. On Thursday, the Habanera did not come into focus (and the line should be purified of those scops that disfigure the reiterations of "Take care"). Soon after that, the tone settled and flowed, rich and steady on the low A flat,

OPERA  
MAX LOPPERT

powerful and true on the note two octaves above—Miss Howard's final "I love him!" made a wonderful sound, big, passionate, and defiant.

She was one notable feature of a performance that mostly placed itself, and not unworthily so, on the level of a routine repertory revival. The other was the Micaela of Linda Esther

Gray, perhaps somewhat heroically voiced for the character, or is this sterling, thrillingly resolute delivery what it needs, and are all the other shrinking violet Micaelas out of place?

(The ENO must tempt this fine singer away from the Scots more often.) Ian Reid conducted a spirited reading, although it was not at all well played, especially in the first act, and was loosely sung by the chorus. Mr. Reid is a courteous, sensitive accompanist: the Flower Song, from its opening phrases, was prepared and shaped with point and direction, and this was of especial value to the angular though not unpleasing vocalization of the José. Inside Geoffrey Pogson's rather sheepish posture, a sincere and even quite intense portraiture waits for the attentions of a vigilant producer, as the later scenes of the opera revealed. At present, too much of the early and middle stages carry the air of nice chap in a bit of a spot.

SALEROOM  
ANTONY THORNCROFT

£18,000, plus the 10 per cent buyer's premium, was bought by the London dealer Roy Miles. He also paid £13,000 for another in the series, of Daniel MacIise. Ballantyne's portrait of Sir Francis Grant went for £15,000 and that of David Roberts made £13,000. The National Portrait Gallery of Scotland has four of the paintings from the series, and the National Portrait Gallery in London two, including one of Sir Edwin Landseer working on the

CHANNEL  
ANTONY THORNCROFT

models for his lions in Trafalgar Square.

In other lots Frederick Richard Lee's "Waiting for the Ferry" sold for £16,000 to the London dealer Ackermann. This is an interesting picture because it has been through the same saleroom on four other occasions, making £225 in 1873, 19 guineas in 1925, 44 guineas in 1928; and 231 guineas in 1950.

"Travellers resting at a

Country Inn" by William Shayer went for £14,000; a painting of an American Western Ocean Packet anchored in Cork Harbour at the time of the Great Famine, by George Mounsey Atkinson, £12,000; and Atkinson Grimshaw's view of "Hull Docks by Night" was bought by Imcos Marine of London for the same sum. The auction of Victorian pictures totalled £77,240.

At Sotheby's carpets and

tapestries sold for £46,190 with a highest price of £4,400 for a Soho mythical tapestry made around 1720 and attributed to John Vanderbank. The furniture a small German walnut armoire was bought for £2,000 and the same sum secured a Portuguese tortoise-shell cabinet, and a Louis XVI mahogany raffraischissoir.

ULSTER  
ANTONY THORNCROFT

£10.10 pm "The Bubbles," 10.15 Spider-Man, 10.35 Little House On The Prairie, 11.05 The Happy Family, 11.30 Saturday Squares, 11.45 Dick Turpin, 11.45 Celebrity Concert (Connie Stevens).

GRAMPIAN  
ANTONY THORNCROFT

9.00 am First Steps, 9.30 In The

Incredible Hulk, 11.35 Reflections, 11.45 Sunday Sunshine In Concert, 11.50 The Practice.

GRANADA  
ANTONY THORNCROFT

9.35 am Mete It Count, 10.05 The

Flintstones, 10.30 Tuesdays, 11.00 The

Mark And Mindy, 8.00 The Incredible Hulk, 8.00 The Big Adventure Film:

"The Hunt," starring Cary Grant, 11.15 Celebrities, 11.45 Saturday Concert, 11.50 Sunday Sunshine In Concert, 11.55 The Practice.

HITV  
ANTONY THORNCROFT

9.05 am The Child Wants A Home, 9.30 Beachcombers, 9.55 Cartoonland, 10.05 The Flintstones, 10.30 Tuesdays, 11.00 The Mark And Mindy, 8.00 The Incredible Hulk, 8.00 The Big Adventure Film:

"The Hunt," starring Cary Grant, 11.15 Celebrities, 11.45 Saturday Concert, 11.50 Sunday Sunshine In Concert, 11.55 The Practice.

YORKSHIRE  
ANTONY THORNCROFT

9.00 am Spiderman, 9.20 "The King's

Prize," 10.00 The Happy Family, 11.05 The Hulk, 11.30 Six Million Dollar Man, 6.00 Saturday Concert, 11.45 Saturday Night, 11.50 The New Avengers, 12.00 The Practice.

SCOTTISH  
ANTONY THORNCROFT

9.30 am Adventures In Rainbow

County, 11.30 Chopper Squad, 6.30 pm

Mr. And Mrs. 6.00 The Incredible Hulk, 6.00 The Dukes Of Hazzard, 11.15 The Munsters, 11.45 Saturday Concert, 11.50 Sunday Sunshine In Concert.

ANGRIA  
ANTONY THORNCROFT

9.10 a.m. Cartoon Time, 9.30 Make It Count, 10.05 The Secret Lives Of

Adults, 11.05 The Dukes Of Hazzard, 11.30 Mr. And Mrs. 6.00 The Incredible Hulk, 6.00 Feature Film: "Catch Me A Spy," starring Kirk Douglas, 11.15 Saturday Concert, 11.45 Saturday Concert.

SOUTHERN  
ANTONY THORNCROFT

9.30 am Sesame Street, 11.30 The

Bionic Woman, 12.27 pm Regional Weather Forecast, 5.15 Batman, 5.30 Mr. And Mrs. 6.00 The Incredible Hulk, 6.00 They're Only The Teletubbies, 11.15 Saturday Concert, 11.45 Saturday Concert.

LONDON  
ANTONY THORNCROFT

9.35 am How To Stay Alive, 9.35

Monkees, 10.00 The Saturday Morning Show, 11.30 Tarzan, 12.30 pm World Of Sport: 12.35 Headline: 1.15 News; 12.20 The ITV Seven—1.30 The

12.30 pm World Of Sport, 12.30 pm Weather.

12.15 Grandstand: Football Focus (12.20); 1979 European Figure Skating Championships (12.20); Badminton (1.05, 1.50); Thomas Cup—European Zone semi-final: England v. Sweden; Skiing (1.30); Women's Downhill; Rugby Union (2.20); England v. Scotland and 4.05 Wales v. Ireland (highlights); 4.40 Final Score.

5.15 The Pink Panther.

5.45 Sport/Regional News.

5.55 Jim'll Fix It.

6.25 Dr. Who.

6.50 Saturday Night At The Movies: "Texas Across The River," starring Dean Martin.

8.30 The Two Ronnies.

8.30 Saturday And Sunday.

10.00 News.

10.10 Match Of The Day.

11.10 Parkinson.

All Regions as BBC1 except at the following times:

Scotland—1.55-3.15 pm Scoreboard, 5.45-5.50 Scoreboard, 10.10 Sportscene, 10.40-11.10 A Handful of Songs, 12.10 am News and Weather for Scotland.

Wales—3.55 am Feeling Great; 9.05-9.30 Telfilant, 2.30-4.40 pm (Grandstand); Rugby Union: Wales v. Ireland and England

News Special— from 10.00 pm sat. perth.

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Saturday February 3 1979

## The sooner the better

**HISTORICAL PARALLELS** can be illuminating, but also misleading. History rarely repeats itself exactly, and present events are not just a replay of 1974-75, when Mr. Heath was defeated by the miners and wage increases soared to over 30 per cent. The pay escalation of the mid-1970s came after a sharp depreciation of sterling and an explosive increase in the money supply. It was further aggravated by threshold agreements offered in the autumn of 1974 in the false expectation that inflation would be only 7 per cent, an expectation blown sky high by the combination of a five-fold increase in the price of oil and a weak pound.

**Settlement**

Politically there are some parallels with 1951, when Mr. Bevan and Sir Harold Wilson resigned from the Attlee Government on health service charges and defence spending. From then on a death wish seemed to come over the post-war Labour Government, which was eventually defeated in an election near the end of that year. But this should not be pushed too far. Mr. Callaghan's powers of resilience should never be underestimated, and it may be more profitable to concentrate on the economic parallels, which are with 1972.

That year was marked by a large wage settlement for miners, less well remembered than that of 1974, but the occasion when the flying pickets first emerged. Unemployment was then high enough to worry the Heath Government and recovery from the previous recession was still at an early stage. The Government, like most outside economic commentators, became alarmed by the miners' victory and a few other headline settlements. Whether that alarm was justified is not clear even in hindsight as so much depends on the precise wage index used. What is clear however is that as the summer advanced expectations grew of a wage clampdown following the Chequers talks with union leaders. By then there really was an acceleration as union leaders rushed to settle while they still could.

**Regulation**

The present pay explosion marks the end of three and a half years of attempted rigid wage controls. Such controls have built up accumulated resentments, both at the lower end among public service workers who have borne the brunt of the squeeze, and among those with so-called "muscle power," who are seeking to restore relativities which reflect their actual strength.

Control of the money supply is not offered, even by its most enthusiastic exponents, as a gain from delay.

**Wage drift**

Despite a few well publicised settlements there is a good deal of evidence that average private sector wage settlements have at least until recently not been above 10 per cent. Allowing for wage drift this might have produced an earnings increase of around 13 per cent. But if the impression gets around that 15 per cent is the "going rate" it could become self-fulfilling, even though its effect on earnings would be partially offset by lower drift. A collision between tight monetary exchange rate policies and a wage push of this kind would produce recession and rising unemployment.

The dangers are aggravated by political factors. Mr. Callaghan seems at least to be toying with the idea of going to the country on a platform of statutory pay and price controls, if he does not obtain a convincing "Mark 2 Social Contract" from union leaders. Mrs. Thatcher has hinted that an emergency pay freeze might be less bad than becoming embroiled at another attempt at a long-term incomes policy.

But this kind of discussion from both political sides (not to speak of the Liberals) can only aggravate the wage explosion, as people try to get in before the clampdown. From the point of view of the economy the election cannot come a day too soon, and once Mr. Callaghan has decided on his platform it is difficult to see what Labour's prospects should gain from delay.

This rapid sectoral growth could be sustained—the market

had been misappropriated and lost.

R. T. Carr  
Devonport  
Wellington Avenue,  
Surrey.

**Utopia**

From Mr. G. McKeeman

Sir—Marx's theory of surplus value may be a sieve full of holes but it provides the Marxists with a useful myth worthy of a preservation order. It is a constant reminder of the parasitic nature of capitalism.

According to Marx the value of anything is the labour embodied in it. Labour is entitled to receive the full value of what it creates but does not because the capitalist creams off surplus value. Come the revolution however justice will be done when the expropriated shall become the expropriators and retrieve the stolen surplus value. This appears to be the greatest myth of all, for when the capitalist geese have ceased laying their golden eggs, some source other than profit must be found for keeping capital intact, providing for net investment and securing adequate remuneration for the new bureaucracy.

State industry is an unlikely candidate as a substitute for the capitalist as its peculiar genius lies in the achievement of deficit value. No, come the revolution the new worker expropriators will have to exploit themselves. They will have helpful precedents to study in previous post-revolutionary belt-tightening operations designed to secure economic growth.

The following measures to assist in the expropriation by labour of labour might be appropriate: Achieve a perfect liaison between the TUC and the Government by a take-over (by the TUC). Merge all existing unions into a single state union. All existing union general secretaries to form the Cabinet and all such posts to become hereditary. Outlaw the strike as an anti-social device. Abolish all trade union legislation since

THE GOOD citizens of Newcastle today celebrate a British blunder.

Exactly 100 years ago, Sir Joseph Swan, a man from north-east England, demonstrated a working model of his electric lamp to the Newcastle Literary and Philosophical Society. The bulb used an incandescent carbon filament which burned in a vacuum, created by a little vacuum pump. The members—according to the local newspaper—were much impressed.

But Sir Joseph was not of the stuff or which some contemporary north-eastern luminaries are made: he was a sight too modest for his own good. In his view, the bulb was merely a development of earlier attempts, and not worth patenting.

Across the Atlantic, however, so lofty a detachment from commercial realities was known as modesty for his own good. Thomas Edison, who is said to have demonstrated his bulb slightly later than Swan, was a lot sharper in getting round to the Patent Office. His British patent was granted in November 1879.

So poor Sir Joseph was beaten in his home market before he had begun. Yet modesty has its own rewards. Sir Joseph was right, his invention really was one link in a chain of innovations, both in the development of the bulb itself and, at least as important, in associated technology which made its creation possible in the first place.

In 1840 William Grove, a member of the Royal Institute, had already made a bulb in which a platinum filament glowed when powered by electricity drawn from a battery. Grove found he could read for some hours by this light but, fearful of going blind—an effect which the Victorians ascribed to diverse causes—he abandoned it and went back to the glazing brilliance of oil lamps.

Swan himself tried in the late 1840s and 1850s, as did many others who are probably unknown and unsung. Their attempts could not progress beyond the stage of an interesting novelty for two reasons: Carbon, the material which could give an adequate light, required a vacuum to light up; second, there was no reliable continuous supply of electricity. In the 1870s, however, with the advent of the Sprengel vacuum pump and reliable generators, the way was open for more serious endeavours. Here comes Swan, Edison, and some others.

Dr. Brian Bowers, deputy keeper of the Science Museum in London, somewhat plays down the simplified account now put forward by the Newcastle Electric Lamp Centenary Committee. At least four inventors, he says, developed a practical lamp: two Americans and two Englishmen. Besides Swan and Edison, they were Hiram S. Maxim, better known for his machine guns, and St. George Lane-Fox.

Lane-Fox had fiddled about with platinum-iridium filaments, but switched to carbon and

patented a carbon lamp in 1879. (His regional authority should be celebrating him this year, too.) It was later sold commercially by the Anglo-American Brush Electric Light Company. Maxim's lamp had a carbonised cardboard filament treated with hydrocarbon vapor and then sealed in an evacuated bulb. The U.S. Electric Lighting Company sold them for some years, but Maxim ungratefully became a British citizen and was later knighted, though whether for services to illumination or extermination is not known.

From this ruck, Edison's British patent—registered on November 10 1879—emerged as the dominant one. (Lane-Fox's was merely for a subtle improvement.) The Edison patent describes a carbon filament in glass from which the air is evacuated: but at the time of application, neither he nor anyone else had solved the problem of making a bulb that would last. The filaments, which were either carbonised paper or cotton, were extremely delicate. They broke, easily and frequently.

Swan came up with the idea of "parchmentised cotton"—that is, cotton treated with sulphuric acid to harden it, and then carbonised. Later, Edison chose bamboo fibres. Both worked.

Swan, recovered from the shock of Edison's arrival on the scene, chose not to let a patent get in his way. He helped found a company in Newcastle in 1881, and made up for his previous shyness by calling it the Swan's Electric Light Company with a capital of £100,000. But it was undercapitalised: shortly afterwards, it became one of the constituent parts of the London-based Swan United Electric Light Company, with a capital of £1m, in which Swan was very much a minority shareholder. (He was, by now, more interested in chemicals in any case.)

Edison attacked Swan United with all the fury of a monopolist baulked. He began a massive patent action against the London company, and created a great furor. The Electrical Review of the day inquired prophetically: "Is this a sham battle preparatory to a merger?" It was. The Edison and Swan United Electric Light Company was created in 1883.

Having ultimately behaved like gentlemen towards each other, they set about wiping everybody else off the map. They fought a number of legal actions on the basis of their joint patent, suing various companies (including Lane-Fox). Finally their patents were upheld by a majority judgment of the Appeals Court in 1889, giving them a virtual monopoly. The halcyon days didn't last for long. The Edison 14-year patent ran out in 1893, and two years later, the number of electric light companies jumped from 27 to 21, while the price of a lamp halved—a graphic indication of the Edison-Swan level of profits.

Lane-Fox had fiddled about with platinum-iridium filaments, but switched to carbon and

was beginning to boom (and gas shares were plunging). The first Electric Lighting Act was passed in 1882, and municipal electricity supply schemes were developed slowly in the 1880s, much more rapidly in the 1890s. Outside the cities, the lighting engineers had to wrap scarves round the lights on winter evenings.

Technology moved, too. Various metals were tried in place of carbon in the late 1890s, and in 1904 tungsten, which has a very high melting point, was chosen as the most promising route for development.

Ductile tungsten wire was developed in 1910 by the U.S. General Electric Company, British Thompson, Houston, though the invention was taken over by American companies. The 1920s saw further innovations—notably the tungsten-halogen lamp (where the introduction of a special chemical into the gas allows the pressure to be increased, and the filament to be hotter, and therefore brighter) and high pressure discharge lamps, mainly used for street lighting. Development continues in these areas.

Innovations to street and commercial lighting are another story. The intriguing thorium filament lamp, for example, was brought into production before the 1914-1918 war. Thorium's resistance to electricity goes down as it heats up, which was a considerable plus. However,

it had a major disadvantage—in cold weather it had to be warmed up before it would light. When it was introduced into the Fulham borough lighting system in London, the lighting engineers had to wrap scarves round the lights on winter evenings.

In the 1930s, mercury and sodium discharge lamps took off as the tungsten coil seemed to have reached the apparent peak of its perfection. In 1940, the fluorescent tube was invented by the UK General Electric Company in association with British Thompson, Houston, though the invention was taken over by American companies. The 1950s saw further innovations—notably the tungsten-halogen lamp (where the introduction of a special chemical into the gas allows the pressure to be increased, and the filament to be hotter, and therefore brighter) and high pressure discharge lamps, mainly used for street lighting. Development continues in these areas.

The companies which made and sold the lamps have had a parallel history, often directly influenced by the changing technology. Seven major companies existed in Britain before the 1939-45 war: Osram (GEC), Mazda, Metropolitan Vickers, Ediswan, Siemens, Crompton Parkinson, and Philips. Now there are four.

The man most responsible for this concentration was Sir Jules Thorn. In 1926, he founded a little lamp company called Atlas, which was in the minor league.

The development of the fluorescent tube during the war, however, gave him his chance.

Seeing the potential of the tube he concluded an agreement with a U.S. company, Sylvania, and began to mass produce fluorescent tubes in 1946.

In 1950, he took over Eko, another small manufacturer. By 1964, he was able to absorb AEI Lighting, itself a merger of Mazda, Metropolitan Vickers, Ediswan, and Siemens. Thorn Lighting became the dominant force in the lighting industry, ironically by seizing on an invention made by its great rival, GEC.

The other three bulb manufacturers in Britain—smaller in lighting but bigger as companies—remain GEC, Philips, and Crompton Parkinson, now a subsidiary of Hawker Siddeley.

Last year, the industry celebrated the last year of its first

century by having a row. The major cause of it was a Scots post-graduate student named Mr. David Meiklejohn, who alleged that the manufacturers deliberately designed their lamps to have a limited life so that their profits might increase. Mr. Meiklejohn, if bold, was not original—such allegations are as old as the industry, and have a certain appeal. The concept of planned obsolescence is, like many conspiracy theories, attractive to a public which feels it is constantly paying more for less quality.

Thus, in 1978, the House of Commons Select Committee on Science and Technology bent its endeavours to discover whether or not the lamp companies had been fooling the people all of the time. Its report was judicious.

On the one hand: "We cannot see any reason why the more widespread introduction of 2,000-hour coiled coil bulbs (the standard is 1,000 hours) which are at present only offered by one manufacturer (Thorn Lighting), should cause any great difficulties... The user would benefit by having to change bulbs less frequently and would be no worse off in terms of light (with a 2,000-hour coiled coil bulb) than he would be with 1,000-hour single coil bulbs. We think the industry should be constantly on the alert to improve its marketing approach, particularly as regards the domestic consumer."

On the other: "We can find no evidence to support the contention that UK lamp manufacturers are colluding in order to keep lamp quality unreasonably low... we reject substantially all the criticisms of the performance and the durability of electric lamps manufactured by the UK lighting industry." In short—not guilty, but do better in future.

Thus, the men in this industry can celebrate their anniversary with a conscience officially pronounced clear. They may, if they wish, examine their origins, attend the opening today of the exhibition "Joseph Swan—his life and work" by Mr. James Burke of the BBC at the Laing Art Gallery, Newcastle. But it should be revealed that the exhibition is not simply the innocent commemoration of merit unrewarded that it purports to be. Professor Peter Kirby, of Newcastle University, the chairman of the Centenary committee, admitted the deeper purpose.

"I hope that people will get the message that invention is important. As far as the North East is concerned, we want to show that we have been inventive, and we can be again." The North East, of course, needs jobs. Like most regions, it is bidding hard for investment by electronics companies. Towards the end of last year it announced, with some flourish, that a microelectronics research centre was shortly to be opened at Newcastle University. A new story may have begun.



Joseph Swan and a replica of the electric lamp he demonstrated in Newcastle on February 3, 1879.

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**Extel**  
GROUP

**Letters to the Editor****Directors**

From Mr. R. Carr

Sir—Discussion on worker directors appears usually to exclude the very crux of the matter: that employers, like their customers, pay only for what they want or judge necessary, or for the nearest available thereto—for their will to be done. Herculean labours are not worth a penny to those who have no need of them, and payment is not due in principle to self-directed workers.

Moreover employers buy or rent accommodation and equipment to serve their own or their customers' objectives. Should this accommodation and equipment be devoted instead to employee objectives, then upon the employees in plain justice rests the onus of purchase or rent payment.

Worker directors, therefore, as opposed to worker suggestions, make sense as step towards unpaid, rent-paying, investing worker-entrepreneurs with the right to sell their product or service if they can, and perhaps to persuade their employer to sell it for them, if he will. The risk that it will not sell, and that nothing will be received for all their pains, falls fairly enough on those controlling the enterprise, as it always did—only that means on the workers, whereas hitherto investors were the losers.

It is reasonable, in the present climate of industrial relations, to expect anybody, however farsighted to underwrite, at personal expense, the performance of workers over whom he has no control and in whose self-directed competence, reliability and good will he cannot repose confidence?

To appoint one or two directors as a token of friendship is conceivable. Nationally to provide for control by workers without proof of exceptional ability and integrity is to court disaster; to do so without adequate compensation in the event of disaster would be yet another gross injustice to those whose

Mr. Kenrick's parallel with New York is correct in terms of long-haul flights going from one airport, but what he omits to mention is that to many destinations within America there is a choice of flights from two, if not three, of New York's airports for the convenience of the passenger, according to where in the area he lives.

Stuart D. Hollander,  
119-120 High Street, Eton,  
Windsor, Berks.

**Independent**

From Sir Derek Rayner

Sir—I am reluctant to expand the correspondence about the forced move of airlines serving Spain and Portugal from Heathrow to Gatwick, but I am moved to do so by Mr. Kenrick's letter of January 23.

The reason for this highly disruptive move is due to the continuous lack of consumer orientation in the planning of our airports in this country, which is obvious to anyone who has the misfortune, as I do, to regard Heathrow as his second home. Those of us who regularly travel to the Continent on business choose to live in a part of the Home Counties near to Heathrow and this aspect has been totally ignored in putting the Iberian services at Gatwick. Mr. Kenrick's suggestion that all inter-European flights should use Gatwick would no doubt force the majority of European business travellers to move their homes or give up their businesses.

Far from being a "best solution" such a move would be even further removed from the right approach, which is to develop two, and eventually three, London airports as a city.

The size of London certainly requires, with services to major destinations being developed from each in accordance with commercial demand and consumer needs.

Substantial evidence collected by the Pay Research Unit, and to make myself available to those who wish to give advice. For example, last week some members of the CBI visited me.

Controversy about oil prospecting in a Cotswold beauty spot.

By Anthony Moreton, Regional Affairs Editor

# More power to Guiting Power

ON THE public notice board of the Gloucestershire village of Guiting Power, population 400-odd, there is a notice which says: "Don't let your dog put a dirty mark on Britain."

The plea may be addressed specifically to the village's dog owners. But the implications about how to keep this scenic hamlet clean and tidy have in the past few months reached out to a much wider audience, for industry is about to come to Guiting Power, and the village is deeply divided over whether it wants it.

Guiting Power is one of the beauty spots of England. It can stand comparison with Corfe Castle in Dorset or Hawkhead in Cumbria or Baslow in Derbyshire. Unlike most other beauty spots, there has been no attempt to turn it up. To begin with, it has its priorities right — just two shops, a post office and two pubs. The pubs are not the sort of places to which people drive miles just to be seen with their dogs, and the shops still sell goods from behind counters.

## New people

Because the village has maintained its character, it has inevitably attracted new people, some to retire in rural seclusion, some to commute to work in Cheltenham or Evesham. Many of them do not like the fact that Consolidated Oil and Gas (UK) has applied to drill a borehole in a corner of a field called Big Drift, just half a mile from the centre of the village. At the heart of their opposition is the argument which is common in many other parts of Britain: how far should industrialisation creep into the countryside?

On Thursday morning a group of officials from the Cotswolds District Council trudged across the fields in the rain to look at the spot where Consolidated wants to drill. They are almost

certain to give the company the go-ahead.

A direct parallel can be made between Guiting Power and the Isle of Purbeck in Dorset, just a couple of miles from Corfe Castle itself, where Gas Council (Exploration) last year found oil on a sizeable scale. Some years ago RIZ was widely criticised for undertaking exploratory work at Coed y Brenin in the Snowdonia national park and the South of Scotland Hydro-Electricity Board was not much liked by the people of the Grampian region.

That Guiting Power is in such fine shape is very much due to the work of one man, Mr. Raymond Cochrane, the Lord of the Manor. Mr. Cochrane owns half of the village's 113 houses and some 1,100 acres of the surrounding land. When he arrived in 1953 some 18 of his houses had been condemned as unfit to live in. He formed an amenity trust to protect his properties and later put the land into the trust in 1974. To some of the villagers it is therefore all the more surprising that he is in favour of the proposal to prospect for oil.

Not all of the villagers back him. A parish meeting just before Christmas opposed Consolidated Oil's plan by 24 votes to 15. Since there are 271 on the electoral roll this may not indicate very active public interest. But the inevitable happened: around 80 (including a couple of outsiders) were in the hall for the start, though by the time the vote was taken at 10.15 more than half of them, either impressed by the quality of the speeches or more likely by the hardness of the seats, had left.

Mr. Cochrane talks of "agitators and outsiders"; there may

have been a few of the latter but what the world considers to be "agitators" were certainly not in Guiting Power that night. To be fair, Mr. Cochrane has tried successfully to keep a balance in the village between people who see it as a haven of peace and quiet, especially to retire to, and a place where people may work as well as live.

"We are trying to keep one Cotswold village where local people can live," he says. Of the 42 owner-occupied houses in the trust, 18 are occupied by locals, an encouraging figure since rural depopulation is as worrying in Gloucestershire as in mid-Wales or the Scottish Highlands.

## Jobs for locals

If the concept of providing homes for locals is to be carried to its logical conclusion, then work must be found for them, too—not just driving a van, but something that offers the possibility of expansion.

The opposition, however, is on strong ground when it points out that any oil or gas found in Guiting Power will produce no economic benefit for the village. If the prospecting is successful any oil will either be taken out by large bowsers or pumped by underground pipe to a railhead six miles away.

All the locals will get is the noise and nuisance as 20-ton lorries pound along the narrow lanes and round the sharp bends. This is the land of the B road, not the motorway, and there will be mishaps as the industrial giants mount the verges to allow other cars or herds of cattle to pass.

Consolidated Oil is aware of these seemingly parochial conflicts, even though it operates from headquarters in Calgary, some 7,000 miles away in the heart of Canada's wheat belt where narrow lanes and sharp bends are as common as the

are prone to slide open all too well.

But at the dairy, all is light and bustle, with a bevy of boys, aged between 10 and 12, hanging around hoping to get taken on to floats as temporary helpers, for 50p a morning, before being dropped off just before 9 o'clock at the points where their schools.

Milk, lemonade, sausages, bread, eggs and potatoes—all are counted and loaded on to the float. And we set out on the round, again painfully slowly.

Milkmen are very fit men, running everywhere and, if no one is looking, leaping fences. It all helps to keep the cold out. Otherwise, on freezing winter morning, shining torches to distinguish the gold top from the silver and the lemonade from the orangeade, the chill would be intense.

Carefully washed tin cans left out by the householder are equally carefully placed upside down over the bottle tops, noted in bottles (or little wooden cupboards) are read by torchlight and the instructions followed: a light left on here means leave 1 pint; no light means no milk.

The notes can be a nuisance; too often a changed order means a double journey to the same house which could have been avoided had 24 hours' notice of today's requirements been given.

A bottle is broken: its top and a fragment of the glass are carefully rescued to be taken back to the dairy and produced in order to square the accounts.

Dawn begins to break, and a small boy appears, sent out to find the milkman and get a packet of cornflakes for breakfast. Taking the family's three pints tucked in his arms, too, he struggles back through the snow and into the warmth.

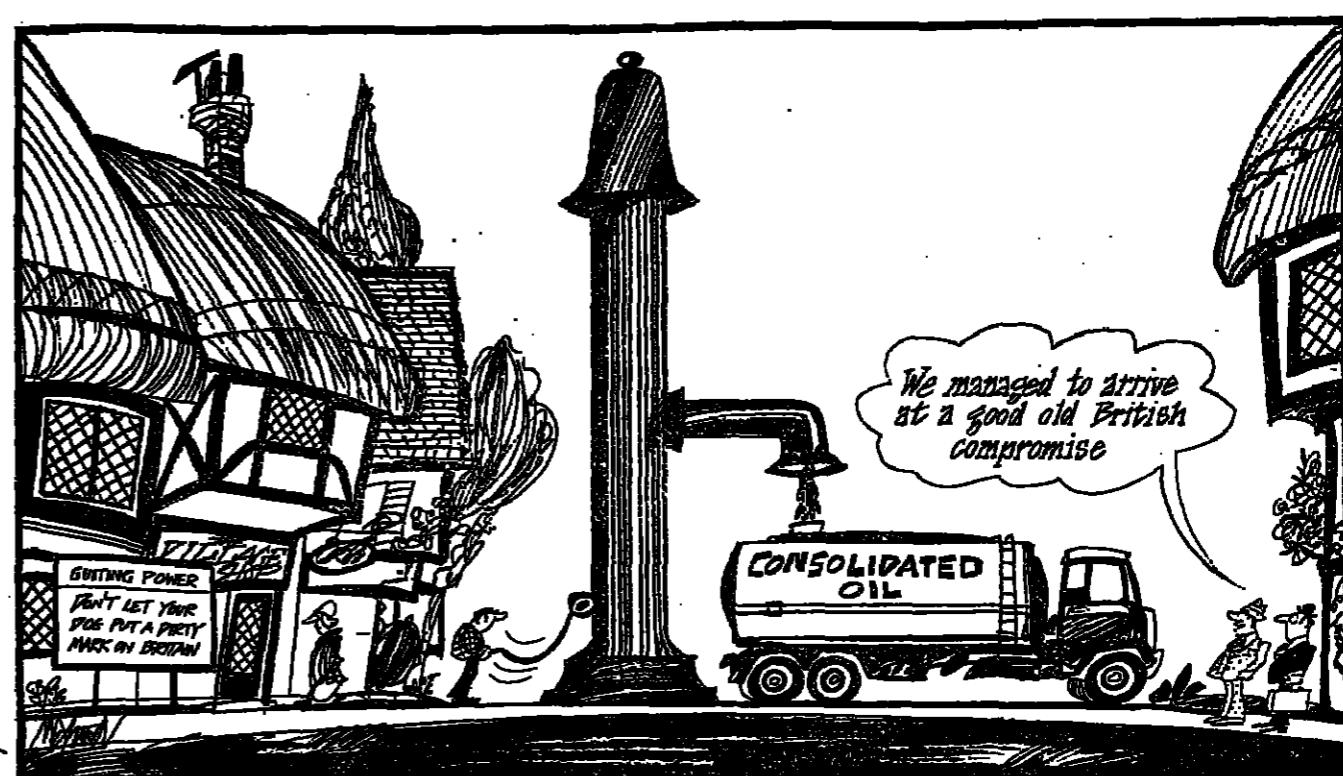
With the dawn comes a fine, freezing rain, penetrating several layers of clothes and making it almost impossible to lift the bottles out of the crates, let alone carry six or eight empties back at a time, suspended from our hands like cows' udders.

For the milkman, who has never even stopped once for a hot drink from the vacuum flask, his helper has brought along, it has been a normal morning. And the extra, though inexperienced, help has cut the time needed to do the seven-day a week round this morning by an hour.

Back at the dairy, Mr. Ronald Angel, Home Counties Regional Dairy Manager with Co-operative Retail Services, is supervising the repair of a conveyor belt. It should be carrying washed bottles around to be filled; instead the cold has affected it, too, and something has cracked. But the plastic cartons, stacked ready for shipment to local Co-op supermarkets where they will sell for 10p or 11p more than the pints left on customers' doorsteps, are unaffected by the hold-up.

It was 4.30 am when we, the milkman and I, set out to plough a furrow through the thickening snow while striking railwaymen, lorry drivers, school caretakers and ambulance drivers slumbered late into the morning. In the pitch dark, with not even a milk float from a rogue street lamp, we arrived at the garage where the electric milk floats are left on charge overnight.

The journey from there to the dairy, two miles away, to load up with crates is painful and very cold: a milk float has no heater and its sliding doors



at Wytch Farm, on the Isle of Purbeck.

The Wytch Farm field is believed to be equal in size to a medium-sized North Sea field, probably bigger than Argyll and about the size of Ayrshire.

It is the operator for a consortium in which it has a 25 per cent stake, Shell a half share and Teek Corporation, a Canadian oil and mining concern, the rest.

But there is no escaping the fact that when industry—any industry—intrudes into the countryside it causes suffering. Sometimes those effects can be minimised.

The National Coal Board creates a landscape rather like the surface of the moon with its open-cast operations but it also restores the land excellently afterwards. The way the Wytch Farm field has been developed is a very good example of social awareness.

But it is not always easy to combine this with commercial prudence. The roads around St. Austell are covered in china clay dust, the steelworks at Port Talbot belt out a filthy

orange smoke and the smell from many chemical works is

despoiler of the village. But few people made a fuss about this.

Even if oil comes to Guiting Power, the village's inhabitants are unlikely to abandon all resistance to any further industrial intrusions, even though they are not sure what form future resistance should be. Like similar communities elsewhere watching the countryside vanish at an unacceptable fast rate, Guiting Power has no desire to see Britain suffer the same fate as Japan where it is now virtually impossible to find a quiet rural retreat within reach of any of the major cities.

TODAY—Prime Minister is opening

Speaker at two-day Labour

Party Local Government Conference, City Hall, Newcastle.

SUNDAY—Mr. David Ennals, Secretary for Social Services, main speaker on second day of Labour Party Local Government Conference, Newcastle.

MONDAY—Mr. Gordon Richardson, Governor of the Bank of England, and Mr. Jacques de Larosière, managing director of the International Monetary Fund, are principal speakers at Overseas Bankers Club banquet, Guildhall, London. Trades Union Congress economic committee meets Ministers, Congress House, London.

## Economic Diary

monthly statement (mid-January).

WEDNESDAY—Prime Minister is chairman of National Economic Development Council monthly meeting to discuss industrial strategy. Special meeting of TUC general council, Congress House, London. Dr. David Owen, Foreign Secretary, speaks at Foreign Press Association luncheon, Cafe Royal, London. Provisional figures of vehicle production (December).

TUESDAY—House of Commons debates disruption of education services. EEC Foreign Ministers meet in Brussels. Meeting of National Union of Mineworkers and National Coal Board negotiators. London clearing banks' monthly statement (mid-January).

NUM executive on pay, Crown Agents Bill second reading in Commons. Meeting of Confederation of Shipbuilding and Engineering Workers, Imperial Hotel, London. Sir John Meliethen, director general of Confederation of British Industry, at British Industrial Measuring and Control Apparatus Manufacturers' Association luncheon, Cafe Royal, London. Provisional figures of vehicle production (January).

FRIDAY—Central Government financial transactions (including borrowing requirement) (January).

THURSDAY—Full meeting of



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## Companies and Markets

# Hirst & Mallinson 35% growth in mixed year

WITH SECOND-HALF profits advancing from £112,400 to £320,000 Hirst and Mallinson has made up the ground lost in the first six months and the pre-tax figure for the year ended October 29, 1978, compares 35 per cent ahead at £445,100.

When reporting on the first half the directors said they were looking to a second-half recovery and forecast a full year's result better than that of 1976-77.

While profits have risen the year has been one of mixed fortunes for the group. Products and services gained greater acceptance in the UK and new export markets were developed. However there were temporary problems in the West African markets and the group was affected by the current uncertainties in the Middle East. Also the group is being increasingly affected by the price war in the pharmaceutical distribution industry, states Mr. M. D. Crompton, the chairman.

Because of changes in the market place one small sector of the business has been closed and this has caused an extraordinary item of £73,000. Some ground has been made in the removals field but the market for overseas removals has not yet improved.

Overall, however, the chairman considers that the group has made reasonable progress and he believes the group's position has been further strengthened. This is reflected in the balance sheet where shareholders' funds now represent some 60p per share, and net borrowings have been reduced.

Earnings per share are stated to be up from 8.4p to 11.0p. The dividend is raised by the maximum permitted — from 1.8p to 2.0p, with a final of 1.0p.

1977-78 1976-77  
Turnover ..... 15,166,100 14,500,700  
Profit before tax ..... 445,100 330,100  
Taxation ..... 8,200 14,300  
Net profit ..... 436,900 334,400  
Extrad. costs ..... 2,800 —  
+ Credit ..... —

The interests of the group

cover catering equipment distribution, silverware, international removals, pharmaceuticals and textiles.

## • comment

Hirst and Mallinson's second half recovery is much in line with market predictions, and full-year profits show an increase of 35 per cent. The company does not give breakdowns but the textiles division, coming up from a low base, has played an important part, in spite of continuing competition from cheaper imports; margins on sales of woolen cloth are slightly better, mainly due to a fashion swing back to natural fibres. Elsewhere, the pattern is mixed. In the distribution division, the pharmaceutical side is having to contend with the current price war while catering equipment, although showing some progress, is still in its export problems. Overseas removals business is also being affected by the drop in emigration from the UK. Meanwhile, the prospects for the current year are overshadowed by the current industrial troubles. At 33p the main support is the 8 per cent yield, while the p/e is 3.4.

## CMT holds up 'quite well'

THE RECENT spate of national strikes had been weathered quite well by Central Manufacturing and Trading, the chairman Mr. N. N. Hickman, told the general meeting.

But be warned that this production could never be retrieved and the lower productivity of customers the less services they were likely to need from a group such as CMT. "The next six months, therefore, will not be

easy." To date, the industrial services, steel stockholding and metal processing division has shown considerable increases in sales compared with the corresponding period last year.

The tubes, fittings and forgings division and the light engineering division were continuing to compete vigorously in a generally slack market.

## Brigay near break even

RECOVERY to near break-even operation was achieved by Brigay Group in the first half of 1978-79 following 12 months in which the company had fallen from £174,000 pre-tax profit to £23,000 loss. For the half year to October 19, 1978, the loss was £1,000 against £46,000.

Mr. T. C. Wymer, the chairman, said yesterday that discussions are on a possible takeover approach, first reported in December, were continuing and he expected that a further announcement would be made within the next 14 days.

As to prospects for the rest of the year he pointed out that though the second half is not usually as profitable as the first the group will be able to take advantage of the significant reduction in overheads from the sale of the freehold at Newman Street, London, which realised some £75m.

Sales by the clothing and jersey fabrics manufacturer were £0.13m better at £1.25m for the six months. Again no tax is payable.

The loss per 5p share is stated at 0.01p (0.6p) and there is no interim dividend. The last payment was a 0.06p final for 1978-74 when profit was £102,000.

## Sekers rights to raise £0.4m— forecasting higher profit

Sekers International, manufacturer of furnishing and dress fabrics, is raising £0.4m by way of a rights issue to finance future expansion. The gross dividend for 1978-79 is being lifted by 38 per cent and a good rise in profits is indicated.

The issue is on the basis of two-for-four at 27p per share, compared with last night's closing price of 35p. The directors say that they consider it appropriate to enlarge the company's equity base in order to finance future development, both internally and by acquisition.

The proceeds will be used in the first instance to reduce short-term borrowings. At January 26, 1979, total borrowings stood at £0.73m, including £0.35m secured short-term loans and overdrafts.

The directors are proposing a final dividend of 1.35p net for a total of 2.1p (1.51p). The Treasury has indicated that while the dividend proposals fall outside the duration of the present legislation, were the legislation to continue into its present form its consent would be forthcoming.

For the year ended March 31, 1979, the directors are forecasting a "substantial" increase in profits over the previous year's £0.32m pre-tax.

Vantona Group, which owns 26.9 per cent of Sekers' equity, has indicated that it intends to take up its entitlement in full. The remainder of the issue has been underwritten by Guinness Nibon and Co. and sub-underwriting is in progress.

Brokers to the issue are Panmure Gordon and Co.

## New capital issue

Statistics compiled by Midland Bank show that the amount of "new money" raised in the UK by the issue of marketable securities in January was £32.3m, an amount almost identical to the £32.7m raised in January 1978, but the lowest monthly figure since October.

## Recovery Trust launched by Craigmount

Craigmount Unit Trust Managers, the unit trust arm of Craigmount Investment Management, launched Craigmount Recovery Trust this weekend.

Units in the new fund are available until February 16 at the fixed price of 50p each to give an estimated gross dividend yield of 5.1 per cent. The minimum investment is £1,000.

Craigmount will be seeking to invest in shares of UK companies which have suffered a temporary setback and whose market rating fails to recognise the recovery potential.

The yield of eligible companies will not be a ruling factor and dividend yields will be considered of secondary importance to potential capital gains.

The risk element, which, by definition, is higher in a trust of this type will be diluted through maintaining a broad spread of investments in the portfolio.

## Sun Alliance linked life

Sun Alliance Linked Life Insurance, the linked life member of the Sun Alliance Group, has extended its product range by launching a regular premium contract — The Sun Alliance In-

vestment Plan. This aims at providing investors with a flexible tax efficient savings vehicle providing maximum investment of contributions by keeping the death cover low without affecting the tax treatment.

The term of the plan, which has to be specified at outset, varies between ten and 30 years.

The amount invested in units varies according to age at entry and the term chosen. Investment can be made into units of any one of the six funds managed by the company — equity, fixed-interest, property, international, deposit and managed.

There are full switching facilities between the funds. There is a contract fee of £1.50 per month (£15 per year) deducted from the premium before investment. The minimum outlay is £30 per month or £300 per year.

At the end of the specified period, the investor can take either tax free sum, draw tax free income, cease paying premiums and make the contract paid up or continue the plan.

## GRA Property turns in £551,000

ON TURNOVER up from £9,630 to £10,06m taxable profits of GRA Property Trust, the greyhound racing, catering and property group, rose from £273,000 to £551,000 in the year to October 31, 1978.

The preliminary results show the pre-tax figure was struck after income from investments, down from £551,000 to £11,000, and net interest payable which fell from £1.56m to £30,000 before tax.

Profit on asset disposals before tax was £333,000 (£57m).

A further payment of £302,000 representing 10p in the pound, and making a cumulative total of 55p, was paid or provided on January 31 this year in respect of claims from unsecured scheme creditors.

The risk element, which, by definition, is higher in a trust of this type will be diluted through maintaining a broad spread of investments in the portfolio.

## Results due next week

Next week's Stock Exchange list is very thin, with only 30 companies scheduled to make profit announcements. Following RAT last week, Imperial Group is due to report full-year profits on Thursday, while interims are expected from Dowty, United Dominions Trust and Alcan Aluminium (UK).

On Thursday, Imperial Group is due to report full year figures following the results for BAT, the tobacco giant, BAT industries, which were announced earlier this week. Although BATs turned in slightly better than expected profits, City analysts are still projecting pre-tax profits of around £128m (£129.1m) for Imperial Group. The company is expected to recover after the disappointing interim figures thanks to a 2p per packet price increase on cigarettes and the recent uptake in the performance from the

foods division, which contributes around 20-25 per cent of sales and profits. A 10 per cent increase in the dividend is a popular guess among the analysts.

With record orders on hand, Dowty is expected to turn in a sparkling set of first half results next week. The results at Dowty in April, 1977 which destroyed part of a factory and aerospace profits should reflect the sharp build-up in the production of the MRCA (Tornado) project. Elsewhere, following the productivity deal with the miners, the volume of orders from the NCB has been strong but this is evidently tailing off. However, any slack in the mining division will be taken up by increased exports of coal mining equipment to China.

The first preliminary results since Mr. G. loan stock conversion and subsequent ordinary profits of around £13.5m

Announcement Dividend (p.) due Last year Final Int. Final Int.

Monday 1.5 2.3 1.5

Wednesday 0.85 1.044 1.044

Friday 0.75 0.945 0.945

Tuesday 0.28 0.57 0.67

Thursday 1.182 1.308 0.75

Friday 2.25 2.65 2.0

Wednesday 1.682 3.163 1.438

Thursday 1.5 2.65 2.0

Wednesday 1.5 2.65 2.0

Thursday 0.45 0.65 0.55

Wednesday 0.8 1.065 0.55

Monday 0.3123 0.3227

Dividends shown net pence per share and adjusted for any intervening scrip issue.

Announcement Company

Dividend (p.) due

Last year

Final Int.

Int. Final



## WORLD STOCK MARKETS

## Wall St. retreats on Iran crisis

## INVESTMENT DOLLAR PREMIUM

\$2.60 to £1.361% (95.1%)

Effective \$1.9800 19.1% (48%)

STOCKS RETREATED in slow trading on Wall Street yesterday, when traders took profits on the gains scored in January following the continuing political confrontation in Iran and the implication for rising oil prices.

The Dow Jones Industrial Average gave way 6.24 to \$348.33, marking a fall of 3.12 of the 100. The week's total gain of 1.6% was cut to 1.1% by cent.

In the news, the Labour Department reported that the nation's jobless rate in January dipped to 5.8 per cent of the work force from 5.9 per cent in December.

The dollar finished about unchanged.

Volume leader Carrier lost \$2 to \$26. United Technologies, of \$1 to \$39, plans to buy Carrier shares in the open market.

Mission Insurance dropped 55 to \$22—American International Group, of \$1 to \$51 bid, withdrew its offer to pay \$30 apiece for Mission shares.

McGraw-Hill regained \$1 to \$30—it rejected a sweetened \$10 a share merger proposal from American Express, of \$2 to \$29. Sterndore rose \$1 to \$24. Cooper Laboratories \$26 a share bid. Cooper slipped \$1 to \$21. Uniroyal declined \$1 to \$7.50—Gulf and Western Industries purchased about 6.1 per cent of Uniroyal's Common for investment purposes.

The American SE Market Value Index rose 0.47 to 159.25, reducing its loss on the week to 3.10.

Canada's Markets were mostly easier yesterday, although the Gold Share Index shot up 47.7 to 154.8.

The Toronto Composite Index shed 1.1 to 1349.6. Metals and Minerals 5.3 to 1203.4, Utilities 0.55 to 196.25, Banks 0.67 to 318.97 and Papers 0.31 to 157.27. Oils firms 1.1 to 1853.2.

Stale Steel rose \$1 to \$143.7 on higher third quarter earnings of 81 cents on the day and \$1.20 on the week. Declines led advances by 72.5 to 85.9, while the trading volume further decreased 2.58M shares to 25.35M.

## FRIDAY'S ACTIVE STOCKS

	Stocks	Closing	Change
	traded	price	day
Carter	647,300	26.75	-1
McGraw-Hill	325,300	30.10	-1
Gardner	265,400	76.75	-1
Frigidaire Tire	235,300	12.75	-1
U.S. Mc Dr. P.	213,100	20.75	-1
Sears Roebuck	325,000	20.75	-1
Exxon	325,000	51.50	-1
Sequoia Inds.	204,900	51.50	-1

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Peugeot Citroen rose FF 5 to 413 on its forecast of higher 1973 profits.

U.S. stocks, Golds and Oils steady. Coppers mixed, Dutch and German issues weaker.

AMSTERDAM—Mixed to lower, with Phillips firm in otherwise easier Dutch internationals. KLM lost F1 4 on its third quarter loss.

Loans mainly slightly higher.

GERMANY. Narrowly mixed, with Banks generally weaker, while Electricals and Industrials registered isolated gains.

Coppers also mixed, as were

Platinum, Tins, former Industrials quietly steady.

AUSTRALIA—late run on Resources stocks brought markets a stronger close.

Base Metals, some situation stocks and Oils rose.

Coppers held up in wake of copper prices rising to a month high in London.

PARIS—Generally firmer on some institutional support.

Properties, Investments, Foods, Construction, Steel, Electronics and Oils all gained ground.

Cars, Rubbers and Enginings steady.

Hotels mixed, Steels slightly lower.

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PARIS—Generally firmer on some institutional support.

Properties, Investments, Foods, Construction, Steel, Electronics and Oils all gained ground.

Cars, Rubbers and Enginings steady.

Hotels mixed, Steels slightly lower.

Peugeot Citroen rose FF 5 to 413 on its forecast of higher 1973 profits.

U.S. stocks, Golds and Oils steady. Coppers mixed, Dutch and German issues weaker.

AMSTERDAM—Mixed to lower, with Phillips firm in otherwise easier Dutch internationals. KLM lost F1 4 on its third quarter loss.

Loans mainly slightly higher.

GERMANY. Narrowly mixed, with Banks generally weaker, while Electricals and Industrials registered isolated gains.

Coppers also mixed, as were

Platinum, Tins, former Industrials quietly steady.

AUSTRALIA—late run on Resources stocks brought markets a stronger close.

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## \$25m offer for ailing Swiss bank

By Our Financial Staff  
NE OF Switzerland's major national banks is to be taken over by the Swiss Bank Corporation in a deal worth around 25.5m.

The regional bank, the Handwerkerbank based in Basle, has been in serious difficulties for some time, having incurred losses on a leasing venture and run up bad debts on property investment.

Handwerkerbank's results for 1978 have yet to be published but the bank has already admitted the need to draw on its open reserves to the tune of SwFr 10m (\$6.5m) during the year. Total assets are put at SwFr 800m—a figure that compares with the last published SwFr 550m for Swiss Bank corporation, which is one of the Swiss "big three."

SBC is offering to buy out the Handwerkerbank's nominal capital of SwFr 30m for about SwFr 730 a share. It is prepared to put up two participation certificates (non-voting shares) plus SwFr 40 in cash per Handwerkerbank share.

The bid follows a request by the Handwerkerbank board that SBC should consider the possibility of an acquisition. Last year Handwerkerbank, the biggest local bank in urban Basle, was granted a SwFr 15m loan by SBC.

A statement issued by Handwerkerbank in Basle indicated that no dividend payment would be possible over a period of several years and that there were no longer any significant reserves available.

Net profits of Guyerzeller Gurmont Bank AG, fell by 10.7 per cent last year to SwFr 4.83m. Despite this decline, the board recommends distribution of an unchanged dividend of SwFr 2.60 per share, with SwFr 2.5m to be transferred to reserves.

## Massey-Ferguson negotiating sale of shareholding in Spanish motor group

BY DAVID GARDNER IN BARCELONA

**MOTOR IBERICA**, the Barcelona-based truck and tractor manufacturer is undergoing an important reappraisal of its ownership which could make it the only Spanish-owned company in the fast growing automotive sector.

The troubled Canadian multinational, Massey-Ferguson, which last year reported losses of \$257m and which owns 36.2 per cent of the Motor Iberica equity. According to banking sources, Massey's balance sheet pressures. The Canadian company has recently extracted a commitment from long-term lenders allowing its debt covenants to be eased significantly.

Massey-Ferguson is already planning the sale of part of its UK-based subsidiary, Perkins Engines, the largest maker of diesel engines in Europe.

According to banking sources, Massey's is being seen a buyer for its motor Iberica equity for the past six weeks.

The shareholding has a stock market value of \$45.5m. Massey would still receive royalty payments if Motor Iberica continued to use its foreign sales network.

Such a disposal would be heavily against the trend in the Spanish motor industry, where the multi-nationals heavily predominate. In money terms it has tripled its turnover and

seriously. Combined with the sale of a minority holding in Perkins Engines, such a move would undoubtedly ease Massey's balance sheet pressures. The Canadian company has recently extracted a commitment from long-term lenders allowing its debt covenants to be eased significantly.

Motor Iberica claims an annual production capacity of 35,000 trucks, 45,000 vans and trucks, and 125,000 motors, in addition to agricultural, construction and aircraft industry machinery. In money terms it has tripled its turnover and

doubled its profits in the last four years. It sold over Pta 41bn in the year ending last November, 23 per cent up on 1977, turning in gross profits of Pta 1.25bn (Pta 1.1bn).

Despite the recession, the high cost of credit, and regularly increased dividends, its cash flow position has held steady, from Pta 1.94bn in 1977 to Pta 2.01bn last year.

Motor Iberica claims that

although the car industry has missed its chance, there are now opportunities consolidating a truly national truck and tractor industry, of which it feels strong enough to form the nucleus.

## Fairchild doubles earnings for 1978

By Max Wilkinson

**FAIRCHILD**, the U.S. semiconductor and instrument company yesterday reported earnings of \$24.7m for 1978, double the figure for the previous year.

Net sales increased 16 per cent to \$332.5m. Earnings per share were up from \$2.06 to \$4.34.

One of the main reasons the company gives for its improved performance is its withdrawal from the digital watch business in which it has sustained heavy losses.

The company says that its order book is now strong for both electronic equipment and semiconductor components.

**Fairchild** recently announced that it is to set up a new metal oxide semiconductor plant in the UK as a joint venture with the General Electric Company.

The plant is to be sited at Neston in Cheshire and will make high density computer memory components for the international market.

Mr. Whifford Corrigan, president of Fairchild, said yesterday: "The powerful worldwide demand for semiconductors has led us to expand production at our domestic and foreign plants, with attendant costs for manufacturing start-up."

Capital expenditures last year were \$32m, and are expected to be more than twice that amount in 1979.

Mr. Corrigan also said that sales of Fairchild's computer-controlled systems grew sharply in 1978 and that higher volume was achieved in sales of government equipment and industrial products.

## Kennecott optimism despite setback in final quarter

BY DAVID LASCELLES IN NEW YORK

**KENNECOTT** COPPER, which recently reached a truce in its takeover battle with Curtiss-Wright, yesterday reported a sharp drop in fourth quarter earnings, but predicted that performance would improve in the coming year.

Net income was \$6.3m or 19 cents a share, down from \$11.7m, or 35 cents, in the same period of 1977. Sales, though, more than doubled to \$524m. These figures brought 1978 total income to \$55m, or 15 cents, up from \$29.7m, or 1 cent, and sales to \$1.9bn, double the previous year's \$925m.

## Campbell Soup buys ITT European food outlets

**CAMDEN** — Campbell Soup has agreed to acquire four European food units of International Telephone and Telegraph Corporation. The terms were not disclosed.

Campbell, a food products manufacturer, said the acquisition, which is subject to governmental approval, will give it entry into the frozen foods business in Europe and will expand its canned food and specialty cookie businesses there.

The four ITT operations to be acquired are: Groko BV, the Netherlands, a frozen foods producer; Nobo Dewall Group, a Dutch specialty-cookie producer; the Baustert division of Reiss International GmbH, a West German producer of salted

snacks; and the Lacroix division of Reiss International, a producer of delicatessen specialities.

Sales in 1978 of these units were estimated at the equivalent of about \$80m.

Last summer, ITT negotiated to sell the European food companies to H. J. Heinz, but that plan fell through.

ITT had acquired the units as "satellite" companies for a major food company that it had planned to acquire in Europe. The big acquisition, however, was never completed.

In recent years, the food companies have shown small losses on marginal profits, and they are among a number of subsidiaries that ITT has targeted for divestiture.

AP-DJ

## More switch to Toronto

BY ROBERT GIBBENS IN MONTREAL

**ABOUT** 100 head office accounting and financial staff of Du Pont, Canada, the major chemical and fibres group, are being moved from Montreal to Toronto for reasons of "operating efficiency." Total employ-

ment at Montreal head office will drop below 400.

It is the third major head office staff move by Du Pont out of Montreal since 1970. The weight of its operations has been moving towards Ontario in the west.

## Uniroyal stake taken by Gulf & Western

BY William Dulforce in Stockholm

**SKANDIA**, the Swedish insurance company, improved earnings on its non-life business from Skr 1.72m to Skr 490m (\$113m) last year. The Board is recommending an increase of Skr 1.50 to Skr 6.50 a share in the dividend.

Skandia's diversification policy has been leading it away from its basic pharmaceutical

business in recent years towards the health sector, plant control chemicals and agro-veterinary products. It also bought the Rochas perfume and cosmetics business in 1975.

SOURCE PERRIER SA, holding company for the French soft drinks group, reports net profits of FF 44.8m (\$10.37m) for the year ended September 30 against FF 37m previously.

Net profit included a FF 15.4m extraordinary gain, Reuter reports from Paris.

In the previous year, net profits included the reintegration of a previously constituted reserve of FF 19m, set aside against possible losses of Perrier's former subsidiary, Preval.

## Swedish insurer to pay more

By William Dulforce in Stockholm

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# Equities still defy serious labour situation but Gilts react further and close at lowest since March 1977

Account Dealing Dates  
Option  
\*First Declara. Last Account  
Dealingg. Date. Days  
Jan. 15 Jan. 23 Jan. 25 Feb. 6  
Feb. 13 Feb. 23 Feb. 21 Mar. 6  
Feb. 12 Feb. 22 Feb. 21 Mar. 6  
\*New time\* dealings may take  
place from 9.30 am two business days  
earlier.

Showing the same resilient  
trend for which they have been  
notable all week, the equity  
sections of Stock Markets yesterday  
closed harder for choice.

Investment buying continued in  
a wide range of stocks and  
undeterred either by the serious  
labour unrest, reflected in a  
growing queue of wage claims  
well in excess of the Government's  
guidelines or by the still  
strengthening conviction that  
internal pressure would shortly  
force a further rise in the  
already historically high Minimum  
Lending Rate.

The last-named possibility,  
however, contributed to fresh  
easiness throughout Gilts-edged  
securities. Although selling was  
not on the scale of recent days,  
the withdrawal of recent support  
by one leading broker meant that  
overall demand was less and  
quotations were lowered accordingly.

Later in the day, the rate on  
this week's Treasury bill offering  
added to the market's current  
sensitivity although prices were sustained at  
a rally which left a close of 45p.

still down 6 on the day.

Firms at first home Banks  
dropped lower at the day's  
opening and finished a shade  
easier for choice. Lloyds, which  
began the dividend season on  
February 16, closed a couple of  
pence down at 293p, after 289p.

Elsewhere, Standard Chartered  
came in for support at 462p, up  
14, but Guinness Peat relin-  
quished 4 to 115p in reaction to  
the disappointing interim state-  
ment.

Leading Buildings closed  
easier for choice following a  
small trade. Blue Circle at 245p,  
refinanced 2 of the previous  
day's rise of 6. Profit-taking left  
Brown and Jackson 10 cheaper  
at 270p, but buyers came in for  
Feb International which gained  
3 to 31p. An investment recom-  
mendation prompted a small  
interest in Manders which firm-  
ed 5 to 106p and Press comment  
5 to 106p and Press comment  
drew attention to Magne and  
Southern which improved a like  
amount to 140p. Reflecting the  
strength of the Property sector,  
Royco improved 1 to 42p. Deal-  
ings in plumbers merchants G. R.  
Francis were suspended at 65p  
pending an announcement.

ICI attracted a smallish trade  
and, after progress to 388p,  
dropped back to close a net penny  
cheaper at 355p. However, Fisons  
found a little support and im-  
proved 4 to 308p and Plym-  
frimed 3 for a two-day gain of  
9 at 136p.

Interest in Stores continued to  
be centred around secondary  
demand in a short market helped

it touch 94 per cent bid before  
closing, 11 higher on balance. The  
conversion factor was 0.6588  
(10729).

Yesterday's activity in Traded  
Options failed to keep pace with  
the previous day's record level  
and 704 contracts were com-  
pleted against Thursday's peak  
1,381. BP was lively, recording  
100 deals, while Rte. 10 in con-  
tinuing response to the current  
surge in the copper price,  
attracted renewed interest and  
144 contracts were completed.

Up 11 on Thursday Caledonian  
Holdings rose 5 to 88p compared  
with London and Midland Indust-  
ries' 86p per share bid. The  
latter, in light of a rival offer  
from an undisclosed source for  
Caledonian's home improvement  
division, firmied 3 to 101p. Also  
in recent issues, TAS Cargo Air-  
ways attracted buyers and firmied  
3 to 104p, while the 6 per cent  
Convertible Preference put on 4  
to 104p.

## Chris Moran dull

A Press report that the com-  
pany is being investigated over  
possible currency irregularities  
unsettled Lloyds - Broker  
Christopher Moran which fell  
away in early dealings to touch  
a 1978-79 low of 41p before the  
Board's statement induced a  
rally which left a close of 45p.  
still down 6 on the day.

In the equity sectors, the  
emphasis stayed on secondary  
issues. Individual sections  
mentioning include  
Oil, Electrical Properties.  
Although the last-named often  
settled below the best they have  
been one of this week's star  
performers. Secondline Stores  
also became busier, but interest  
tended to subside in Plantations,  
good earlier in the week on  
ratification hopes.

Leading shares were again  
overshadowed and, after being  
slightly harder for most of the  
session, eased towards the close.  
The FT 30-share index recorded  
a rise of a full point at its  
best, but ended a net 1.2 lower  
at 467.3 reflecting after-hours  
rumours of a pending all-out  
strike at BL Cars. On the week,  
however, the index was 2.3  
higher, a remarkable achieve-  
ment in the face of grim back-  
ground events on the labour  
front for the fourth successive  
week.

Falls among longer-dated  
British Funds extended to 1,  
after 1, while the shorts retreated  
on steady selling before losses  
were eventually reduced to 1.  
The FT Government Securities  
index lost 0.24, further to 65.80  
for a fall on the week of 0.78.  
this index is currently at its  
lowest since March 7, 1977.

The investment currency  
premium moved further forward  
yesterday as institutional  
demand in a short market helped

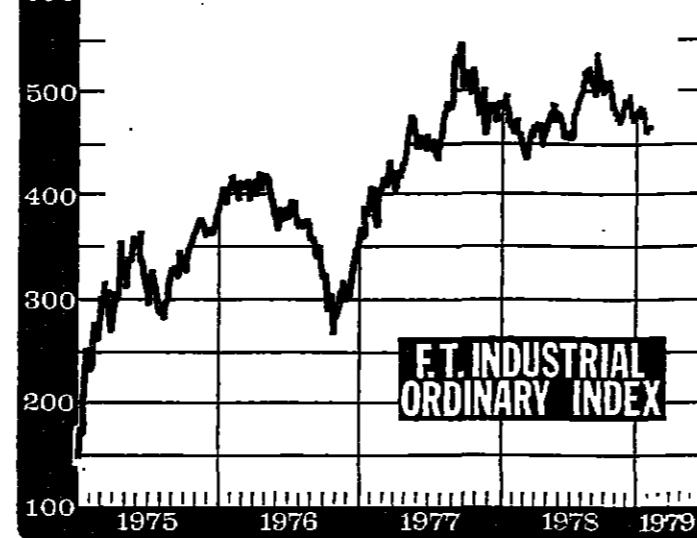
issues although W. H. Smith A  
continued firmly among the  
leaders with a rise of 5 to 146p.  
Renewed buying in a thin market  
lifted Northern Goldsmiths 3  
more to 91p, while William  
Mowat did well with a rise of  
6 to 63p. Knott Mill added 11 to  
26p and Bakewell Household  
(Leeds) improved a penny to  
51p, the latter following the chairman's  
annual meeting.

In Foods, a resurgence of  
speculative interest lifted 1,  
Bibby 10 to 295p, and, ahead of  
next Wednesday's interim results

Industries were lowered to 4 to 5p  
in the fall in half-yearly profits.  
Yarrow, up 2 to 345p, showed a  
rise on the week of 35 on news  
that Vosper had increased its  
stake in the company. Interest  
revived in Bulbough which  
gained 5 to 183p, while Brook-  
house hardened a penny to 74p  
following the chairman's  
encouraging statement at the  
annual meeting.

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Demand was again forth-



coming for Electrical issues  
which recorded some further  
good rises. Unitech encountered  
support ahead of the interim results  
and, after some further Friday, and  
gained 8 to 181p, while news of  
Ferranti-Packard to Northern  
Engineering for approximately  
7.6m cash helped Ferranti to  
improve 12 to 372p. Deca "A"  
rallied 5 to 360p, while fresh  
demand lifted Eurotherm 8  
more to 245p. Electrocomponents  
rose 7 to 340p and rises of 4  
were recorded in Laurence Scott,  
94p, and AB Electronic, 188p.

By way of contrast, Louis  
Newmark remained unsettled by  
the profits warning and dipped  
12 further to 205p. Among the  
leaders, GEC touched 326p  
before drifting back to close  
unaltered on balance at 324p.

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easier for choice following a  
small trade. Blue Circle at 245p,  
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be centred around secondary  
demand in a short market helped

results. Hillards added 4 to 21p  
for a gain on the week of 21.

Among Hotels and Caterers,  
Ladbrooke held a late improve-  
ment of 6 at 179p.

## Sothebys easier

Interest among miscellaneous  
industries was largely confined to  
secondary issues. In belated  
response to the overwhelming  
vote for majority rule in Rho-  
desia, Marshalls Universal  
jumped 12 to 183p. AGE Research  
added 9 to 146p following acquisi-  
tion details. Renewed buying  
ahead of the results due on  
February 14 helped Glass and  
Metal improve 3 more to 103p  
and De La Rue rose 10 to 360p  
on reports that the strike at its  
Gateshead works is over. B.B.  
and E.A. remained in demand as  
well at 230p.

Trusts recorded further scat-  
tered modest improvements.  
Dealings were suspended at  
178-79 high of 102p.

Elsewhere in Australians, Oak-  
bridge put on 3 to 180p in front  
of news that the New South  
Wales State Government has  
given approval to BP to enter  
into a joint venture with Oak-  
bridge to develop a new coal  
mine at Clarence.

Other overseas base-metal pro-  
ducers recorded further gains  
including Roan Consolidated  
Mines, up 7 to a 1978-79 high of  
100p for a rise on the week of  
23. Vogels added 3 to a 1978-79  
high of 83p.

South African Golds and Finan-  
cials ended the week on a bright  
note, but gains mainly reflected  
the firmness of the investment  
premium.

The Gold Mines index rose 5.1  
to 171.9 while the ex-premium  
index put on 2.8 to 115.0.

News that Birmingham and

Motor Distributors met a good  
business and generally finished  
at higher levels. Glandfield  
Lawrence again featured, rising  
6 to 56p on speculative support  
on the possibility that a disposal  
of the late former chairman's  
large holding may result in a  
bid for the company. Elsewhere,  
Dowty spurted 9 to 269p ahead of  
the interim statement due on  
Wednesday.

Hopes of further development  
in the stagnant "Times" situation  
fuelled interest in International  
Thomson which rose 12 to 287p.

The Convertible added 8 to 225p.

Saatchi and Saatchi were again  
in demand after Press comment  
earlier in the week on 5  
and 10-day gains of 9 to 140p.

Dealings in English Property  
were suspended at 44p prior to  
the rejection of Eagle Star's  
equivalent cash offer. Eagle  
Star hardened 2 to 134p on the  
news that Canadian property  
group Olympia and York  
Developments had emerged as a  
possible rival bidder for English  
while the Dutch group Wereld-  
have's increased cash offer of  
46p per share. Eagle Star's  
qualified acceptance of this bid  
and EPC's rejection of it came  
well after the market's close.

Other Properties continued to  
benefit from the effects of the  
recent batch of bullish brokers'  
circulars, but leading issues  
tended to ease in after-hour's  
dealing. British Land, however,  
held a gain of 21 to 485p and  
Bernard Sunley rose 5 to 267p,

while Great Portland Estates  
added 6 to 238p. Elsewhere,  
Regional stood out with an  
above-average rise of 7 at 88p,  
while, mirroring Press comment,  
Interpretations rose 4 to 52p  
and Commercial Estates 5 to  
57p. In a thin market, McKey  
Securis rose 10 to 115p in belated  
response to the recent interim  
results.

Profit-taking in RTZ

After moving ahead strongly  
all week in the wake of the boom  
in base-metal prices on the  
London Metal Exchange and in  
U.S. commodity markets, the  
London-registered Financials  
under modest pressure from  
profit-taking.

Rio Tinto Zinc eased 2 to 278p  
but remained 20 higher over the  
week, while Charter gave up 4  
to 182p to reduce the week's gain  
to 18. Tanks also shed 4 but, at  
188p, still retained a rise of 14  
over the longer period.

Overseas-based base-metal pro-  
ducers, however, continued to  
attract a good demand with  
prices additionally boosted by  
the firmer investment currency  
premium.

Australians were again  
feared by MIM Holdings which  
rose 8 for a week's gain of 20  
to a 1978-79 high of 275p, while  
North Broken Hill put on 9 to 3  
to 137p and Pacific Copper 2 to a  
1978-79 high of 102p.

Elsewhere in Australians, Oak-  
bridge put on 3 to 180p in front  
of news that the New South  
Wales State Government has  
given approval to BP to enter  
into a joint venture with Oak-  
bridge to develop a new coal  
mine at Clarence.

Other overseas base-metal pro-  
ducers recorded further gains  
including Roan Consolidated  
Mines, up 7 to a 1978-79 high of  
100p for a rise on the week of  
23. Vogels added 3 to a 1978-79  
high of 83p.

South African Golds and Finan-  
cials ended the week on a bright  
note, but gains mainly reflected  
the firmness of the investment  
premium.

The Gold Mines index rose 5.1  
to 171.9 while the ex-premium  
index put on 2.8 to 115.0.

News that Birmingham and

Midland Counties Trust now hold  
25 per cent of David Dixon  
lifted the latter 4 to 150p, a rise  
of 18 on the week. Other selected  
Textiles tended firmer in quiet  
conditions. British Enka rose  
3 to 23p following a reasonable  
business, while Sekem  
hardened 2 to 35p after the  
announcement of a proposed  
rights issue and the company's  
optimistic statement. Carpet  
manufacturers Stoddard eased a  
penny to 28p following the  
interim statement.

Baile continued to benefit from  
its results and rose for a gain on  
the week of 30 to 313p.

South African industrials  
closed higher on dollar premium  
finances. Greatman's 188p,  
and Tiger Oats, 615p, both rose  
around 15, while OK Bazaar  
advanced 30 to 430p.

Plantations remained firm  
although early buying fell away  
in afternoon trading. London  
Saracens put on 3 to a new peak  
of 217p, while far-eastern buying  
helped Highlands add 5 to 128p.

Profit-taking in RTZ

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News that Birmingham and

Financial Times Saturday February 3 1979

## FINANCIAL TIMES STOCK INDICES

	Feb. 2	Feb. 1	Jan. 31	Jan. 30	Jan. 29	Jan. 26	Jan. 25





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## FT SHARE INFORMATION SERVICE

## BONDS &amp; RAILS—Cont.

High	Low	Stock	Price	+ or -	Per.	Div.	Yield
105	99	Treasury 5% 1981	99.11	-	0.11	11.11	11.11%
97	94	Treasury 5% 1979	94.74	-	0.04	4.43	10.85%
104	95	Treasury 10% 1979	95.45	-	0.04	10.47	12.75%
105	95	Electric 3% 1980	94.95	-	0.03	11.04	11.04%
102	93	Treasury 5% 1982	93.02	-	0.03	9.88	10.00%
95	92	Treasury 5% 1980	92.50	-	0.03	8.77	8.77%
110	99	Treasury 5% 1981	99.00	-	0.03	10.90	10.90%
104	97	Treasury 11% 1981	97.71	-	0.11	11.11	11.11%
105	99	Treasury 5% 1982	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1983	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1984	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1985	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1986	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1987	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1988	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1989	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1990	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1991	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1992	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1993	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1994	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1995	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1996	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1997	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1998	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 1999	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2000	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2001	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2002	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2003	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2004	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2005	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2006	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2007	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2008	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2009	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2010	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2011	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2012	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2013	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2014	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2015	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2016	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2017	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2018	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2019	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2020	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2021	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2022	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2023	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2024	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2025	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2026	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2027	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2028	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2029	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2030	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2031	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2032	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2033	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2034	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2035	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2036	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2037	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2038	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2039	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2040	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2041	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2042	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2043	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2044	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2045	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2046	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2047	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2048	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2049	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2050	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2051	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2052	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2053	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2054	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2055	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2056	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2057	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2058	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2059	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2060	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2061	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2062	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2063	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2064	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2065	99.11	-	0.03	11.11	11.11%
105	99	Treasury 5% 2066	99.11	-	0.03	11.11	1



## MAN OF THE WEEK

### Down on the farm

BY MARGARET VAN HATTEM  
THEY CALL him Hamlet. Like his legendary compatriot, he takes a long time to make up his mind, often changes it, and always has plenty of plausible reasons for doing so.

In fact, Finn Olav Gundelach, the EEC Farm Commissioner, often seems a lot more like Yorick, especially at the end of an all-night negotiating session with the Community's intransigent farm ministers. He is a perfectionist and drives himself very hard. He also drives his staff extremely hard and will get them to rewrite a speech six times until it strikes exactly the right chord. Not surprisingly, the rapid turnover in his cabinet is grist to the Brussels gossip mill.

Right now, Mr. Gundelach is the man on whom EEC governments depend to keep things quiet on the farm while they try to link their currencies. Heads of government may agree all sorts of things between themselves, but he is the one who must bring their rebellious agriculture Ministers to heel.

This week, he won the first round. He got the Commission's proposals for a farm price



Finn Olav Gundelach  
Bringing rebellious agriculture ministers to heel.

The underlying level of Britain's official reserves rose slightly during January, highlighting the strength of sterling in face of renewed fears about inflationary pressures produced by the widespread industrial disputes.

The published total rose by \$864m to \$16,261m. But this

was after an allocation by the

International Monetary Fund of

\$367m Special Drawing Rights,

its own currency unit, and sub-

stantial net new borrowing

overseas by the UK.

The underlying rise in the

reserves was \$75m. This

reflects the balance of a limited

amount of intervention in both

directions in these markets.

Foreign currency came in at the

beginning and end of the

month and the rate was proba-

bly supported in mid-January.

The Government yesterday

took advantage of this stability

to continue its programme of

spreading the burden of over-

seas debt repayment away from

the peak years of 1978-84 with

the announcement by the

Electricity Council of the

repayment before the due dates of

a \$500m syndicated credit.

There are no apparent plans

for refinancing this loan, though

the council is to receive about

nine times or more if necessary,

in the hope that when the nine

are finally brought together,

this common ground will some-

how coalesce. It rarely does, but

he never gives up.

One of the most frequent

criticisms of Mr. Gundelach is

that he is a one-man-band, a

juggler who likes to keep all the

balls in the air until the last

minute and brooks no inter-

ference. Farmer and consumer

lobbyists, as well as politicians

complain that they never know

where they are. The Commis-

sioner, they say, is a man who

tries to please everyone but who

will always, in the end, cut his

losses and take what he can get.

The trouble with you British", Mr. Gundelach once

said, "is that you never

understood the commission. It

is not a secretarial and will not

produce proposals to order. It

is the government. The Council

of Ministers is merely the

senate.

Brave words, but yet to be

borne out. His speeches of the

past few weeks, warning of farm

surprises near an "explosion

point" and pointing out that the

Community's farmers are doing

very nicely and can afford a few

losses, are echoes of speeches

made this time last year. The

result then was an average 1 per

cent rise in national prices, with

price rises for surplus cereals,

a cut in tax on milk production

and abandonment of a

plan to suspend intervention of

buying of dairy surpluses.

This year, he is attempting

something more ambitious, but

more crucial to the functioning

of the Community, than any of

his peers or predecessors have

assayed.

A unanimous agree-

ment by the Nine on what the

Commission believes to be

fundamentally necessary already

looks impossible. Will he, as

in the past, keep reshaping his

proposals until he comes up with

an acceptable mix? Or will he

be the first Commis-

sioner ever to hold out, and let

the ministers stew? And if so,

will he be able to get away with it?

Success on his part would

certainly strengthen his fellow

Commissioners. And success

does not necessarily mean a tidy

agreement. Like Hamlet, Mr.

Gundelach has survived many

fencing matches—as Danish

Ambassador to the UN in

Geneva, to the EEC in Brussels,

as Deputy Director General of

GATT. Unlike Hamlet, he has

quite a few still to go and it is

certain that at the end of this

particular act, the corpses

littering the stage are unlikely

to include his own.

## Ayatollah steps up the pressure

BY ANDREW WHITLEY AND SIMON HENDERSON IN TEHRAN

A YATOLLAH KHOMENEI, speaking from the converted girls' school in a poor part of Tehran, which is the headquarters of his Islamic revolution, yesterday called on State employees to increase the paralysis in Iran and bring down the Government.

On his first day in Iran after 14 years in exile, the Ayatollah began to get to grips with directing the final stages of a revolution that has already forced the Shah into exile.

Throughout the day he received groups of his adoring followers who have marched in their thousands through the streets of Tehran unheeded by the troops on the second of a three-day dispensation from the declared martial law. In several speeches he made during the day the Ayatollah said that "it was forbidden" to obey the Government and that it was hostile and continuing resistance to appeals to endorse a head-on collision with the authorities through calls to arms.

There were indications yesterday that he could be preparing for a drawn-out test of will and strength with Dr. Shapour Bakhtiar the Prime Minister. An aide said confrontations could be avoided if mass resignations from Parliament forced the Prime Minister to resign. He claimed 71 members of the 265-strong Majlis—the lower House of Parliament—had already resigned, and that more resignations from the nine-man regency council appointed by the Shah were already expected.

Acknowledging that an Islamic government established by the Ayatollah could not run without the assistance of the army, the aide said a high-ranking military man would be included in the revolutionary council which would replace Dr. Bakhtiar's administration. Dr. Bakhtiar, claimed yesterday in an interview with French radio that he still had the complete support of the army. He said that, if asked, he would be ready to bring into his Cabinet

ministers who support Ayatollah Khomeini.

The premier must be aware that the only way of avoiding civil war now is by reaching a compromise with the Ayatollah. He said he would do all he could to stop dictatorship returning to Iran.

Details of the Ayatollah's plans may become clearer today when he addresses a news conference.

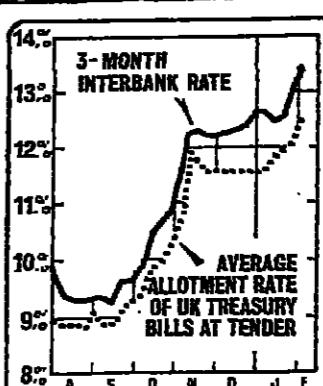
David Tonge adds: The British Government has not yet attempted to make contact with the Ayatollah. The feeling is that it would be unwise to do so while he bathes in the glare of publicity of recent weeks.

During the Shah's rule, doing business with the Government precluded doing business with the opposition. After the Shah's departure the British view was apparently that the Ayatollah, having been so long neglected and apparently favouring a policy of "neither East nor West" might not take kindly to any approach.

## THE LEX COLUMN

## Ruffled feathers at Eagle Star

Index fell 1.2 to 467.3



ings." In his chairman's statement with the accounts Sir Eric had an explanation—that the expenditure of some £280,000 had been in connection with an abortive European venture.

According to the special statement on April 16, the matter had arisen "since the issue of the preliminary announcement." The inspectors' report now makes it clear that Price Waterhouse had been seeking explanations for many months concerning three particular items—a sum of £70,000 paid out to stockbrokers Lewis Altman, a diamond necklace costing £65,000, and a deposit with Keyser Ullmann of £130,000 plus accrued interest. Only the second and third items were, in fact, claimed at the board meeting on April 14 to have been linked to the European transaction.

Such qualifications appearing in the accounts of a major company would, of course, cause a stir. But Peachey was, and is, a comparatively small and unimportant property company. It was well known that it was being run by a flamboyant figure with an over-lavish expense account (but he was by no means the only one). Evidence of the inadequacy of Peachey's shortcomings in financial controls was already in plenty—it had, after all, taken 11 months to produce the 1974-75 accounts. Sir Eric was a newsworthy figure because of his associations with politicians and football clubs. But he was never of major financial importance.

The Press should have been more persistent. But if Price Waterhouse were not prepared to insist on much more detail being included in the accounts at the time, and were unwilling to contradict some of the claims being made by the company to shareholders, it is hard to see how the story could have been cracked from the outside. The language of these qualifications has become so obscure that the full message is not being communicated to shareholders.

Which is not to say that the decision to qualify the accounts did not produce results. Clearly the diligence of the auditors put pressure on Sir Eric from self. It must also have concentrated the minds of the rest of the board—the potential threat to him was from within the company rather than from outsiders, and that was how the drama moved to its conclusion a year later.

It is easy enough to buy gilt-edged in volume at the bottom of the market. But it can be impossible to find large lines of equities to buy when the equity market takes off. Fund managers are understandably anxious not to miss any boat. But they have yet to cope with problems—like a big company in difficulties—which could shake their nerves.

### Peachey

According to the inspectors' report this week on Peachey Property, the company's auditors Price Waterhouse were surprised at the lack of comment after their decision to qualify the 1975 accounts, belatedly published in May 1976. The auditors' "very serious" reservations hardly raised an eyebrow in the City or in the Financial Press. Why was this?

The inspectors' report does not make quite clear the circumstances in which the qualification appeared. The reference to doubt about information given concerning a missing £228,000 appeared as a short paragraph in the auditors' report following a longer paragraph expressing concern over property valuations totalling £2.8m. A reader could easily assume that the first qualification was ten times as important as the second; and it should be borne in mind that many other property companies at that time had serious qualifications to their accounts in respect of property values.

Moreover Sir Eric Miller had taken care to defuse the impact of the auditors' report. Some three weeks before the accounts were published Peachey had issued a special statement after board discussions "regarding the recovery of money which could involve legal proceed-

### Equities